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AGRICULTURAL OUTLOOK

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- 4 Big crops appear to be coming in, but because of small stocks for several key commodities, prices are slated to hold up very well in 1976/77. Livestock and poultry producers shouldn't anticipate any big bargains in feed prices in the coming year—and this may take some of the steam out of the current production expansion.
- 8 Production expenses keep on climbing. Increases in the prices paid by farmers as well as larger purchases of some production inputs will push farm production expenses this year some 6 to 8 percent above 1975's \$75 billion. Overall prices of inputs continue to rise, although some items, notably fertilizer and seed, are priced below year-earlier levels and increases for others have slackened.
- 9 Export prospects brighten. Accelerated economic activity abroad and reduced crop prospects augur well for U.S. exports in 1976/77—and current prospects are for our overseas sales to run nearly the same as 1975/76's \$22 billion. However, export tonnages of major bulk commodities may not match fiscal 1976's record high 103 million tons.
- 11 Good news on food expenditures: The boost in food expenditures from sharply higher farm prices in 1973 and escalating marketing costs in 1974 and 1975 have moderated this year. This special article details the outlook for food expenditures and the marketing bill this year and discusses some of the key developments in 1975.
- 16 Statistical Indicators in this issue carries January-June cumulative data for 1974, 1975, and 1976, in addition to the current monthly data. First half data are reported in totals (for output) or averages (for prices or index numbers). Annual 1973, 1974, and 1975 data are carried in the August 1976 issue (AO-13).

LARGE SUPPLIES AND STRONG DEMAND BOOST CASH RECEIPTS

The outlook for food and agriculture through mid-1977 continues to be characterized by large supplies of crop and livestock products. Crop output this year is expected to be close to 1975 and remain ample for expected usage. Livestock production is expanding this year, with output of beef, pork, broilers, turkeys, and milk all ahead of a year ago. Of course, weather here and abroad will be a key element in the outlook for U.S. agriculture in 1976/77.

Likewise, general economic developments here and abroad are critical in determining the utilization and prices of U.S. farm products. Domestic markets for agricultural products are expected to remain strong into 1977. The U.S. economy is in a fairly well-balanced recovery with rising employment and higher consumer incomes. These gains point to larger food consumption and expenditures.

Domestic feed use also is expanding, due mainly to larger output of livestock products. In addition, export demand for U.S. agricultural products remains strong, with the value of U.S. farm exports in 1976/77 expected to about match last year's record high. But exports will depend on world crop developments, which are now expected to improve over 1975, and the domestic supply-demand situation for major crops.

These conditions add up to continued large cash receipts to farmers this year, which should offset the expected rise in production expenses. At the same time, consumers should see ample food supplies. Consequently, retail food prices in 1976 are likely to rise at a relatively slow pace, primarily reflecting increased marketing spreads.

Crop Output May Nearly Match Large 1975 Outturn

August 1 crop prospects point to a 1976 output of major crops close to last year's record high. Production of corn and cotton are likely to register significant gains. The corn crop is forecast at 6.2 billion bushels, up about 7 percent from 1975. Although stocks entering the 1976/77 marketing year may be down to generally low levels, this year's estimated corn crop would provide for expected larger domestic use, a strong foreign demand, and still allow for some stock buildup.

Cotton output will be up substantially from the low 1975 level, but down a mil-

lion bales from the 1971-75 average. Coupled with smaller carryin stocks, cotton supplies in 1976/77 will only be slightly above last year. As a result, the tight supply-demand situation this year will likely carry into next year as well.

Larger stocks of wheat and rice will boost supplies above 1975/76. Wheat output is expected to total around 2.1 billion bushels. Although down 2 percent from 1975, it would still be the second largest crop on record.

Soybean producers cut acreage this year, and output at 1.3 billion bushels will be down about 12 percent from 1975's harvest. The tightening soybean supply-demand balance that occurred this summer may carry into the 1976/77 marketing year. However, much will depend on exports, and larger Brazilian output late in 1976/77 may provide stiff competition for U.S. beans in world markets.

Crop Prices Settle Back After Summer Runup

Crop prices shot up sharply this summer, led by big increases for soybeans and cotton and, to a lesser extent, by grains. The farm crop price index rose 12 percent from April to July with cotton and soybeans up 40 to 50 percent.

This brought average January-July 1976 crop prices close to year-earlier levels.

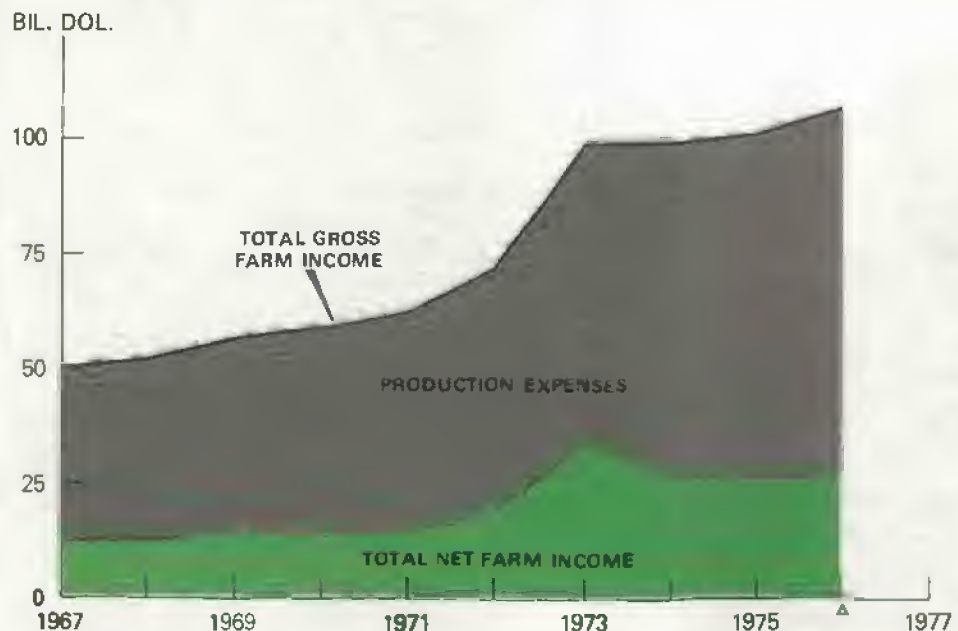
Market prices of most crops have settled back from their July peaks and have been more stable in recent weeks. However, prices will remain sensitive to crop developments here and abroad until the harvest is well underway.

Soybean prices, which hit almost \$7.25 (No. 1 yellow at Chicago) in early July, ranged between \$5.90 and \$6.40 for much of August. Cotton prices, too, backed off from their 87-cent-per-pound high (spot market) and have been holding in the 70 to 75-cent range, although that is still over 50 percent above a year ago.

Large supplies of most crops are meeting continued strong demand here and abroad. Rising consumer incomes and expanding feed requirements are stimulating domestic demand. Current conditions indicate that 1975/76 U.S. grain and soybean exports may not quite match 1975/76's record volume, but cotton exports will likely be higher.

If the large crops now expected in this country and overseas materialize, crop prices may decline seasonally by harvesttime. Season average prices of corn, wheat, and rice in 1976/77 may be moderately below the previous year. On the other hand, soybean prices could

1976 NET FARM INCOME MAY HOLD NEAR LAST YEAR



Δ PROJECTED FOR 1976

well average higher, although competition with Brazil's 1977 crop could temper prices in the latter part of the 1976/77 marketing year.

On balance, season average crop prices for 1976/77 in general will likely be around 1975/76 levels, due in part to relatively tight supplies of soybeans and cotton.

Livestock Output Expanding

Sizable increases from a year ago were recorded for production of fed beef, milk, and broilers during first half 1976. Second half livestock output likely will remain large as sharp pork production gains from a year earlier are coupled with slower rises for beef and broilers. Combined meat, poultry, and milk output for all of 1976 is likely to total 4 to 6 percent above 1975.

After several months of financial losses, cattle feeders have slowed cattle placements and fed beef supplies this fall will be somewhat smaller than in recent months. Also, cow slaughter will be below a year ago.

Cattle producers are sharply reducing herds. The July 1 inventory of cattle and calves was down 5 percent from a year earlier, and the 1976 calf crop is now estimated to be the smallest since 1971. These reductions decrease the likelihood of increases in beef production in 1977 and will likely trigger year-to-year production declines over the next few years.

Beef production in the first half of 1977 may slip from current levels and total below a year earlier. However, pork production is rising and may run 15 to 20 percent above January-June 1976. Although broiler output will remain relatively large in early 1977, gains over a year earlier will narrow if less favorable broiler-feed price relationships occur. Production of eggs and milk is expected to continue above a year ago in first half 1977.

Despite expanding output, prices received by farmers for livestock and products—including feeder cattle prices—in January-July 1976 averaged 12 percent above a year earlier. Price strength stems from continued strong consumer demand brought about by rising incomes. Producer prices during the rest of the year may about match a year ago, bringing the 1976 average about 6 to 7 percent above 1975. Reduced beef output in first half 1977 should help bolster prices for meat animals and poultry.

Record Volume and Higher Average Prices Boost Gross Farm Income

Farmers are expected to market a record volume of crop and livestock products in 1976. However, strong domestic and foreign demand will help bolster prices. Livestock and product

STATE FARM INCOME STATISTICS AVAILABLE

USDA's annual *State Farm Income Statistics* is now available. It presents U.S. data on cash receipts, Government payments, nonmoney and other farm income, and farm production expenses for each State.

Copies of *State Farm Income Statistics*, Supplement to Statistical Bulletin No. 557, are available free by postcard (please include zip code) or telephone (202-447-7255) from the Publications Unit, Economic Research Service, Room 0054, South Building, U.S. Department of Agriculture, Washington, D.C. 20250.

prices may average 5 to 7 percent above a year ago as increased domestic consumption absorbs the larger output. Crop marketings from the large 1975 and 1976 harvests will be well above a year ago, but strong export demand as well as increased domestic feeding will about maintain average crop prices. Even so, prices could weaken some from current levels if the harvest is heavy this fall.

Higher prices and larger marketings will result in a record flow of cash receipts to farmers. For all of 1976, cash receipts are likely to total 7 to 9 percent above 1975's \$90 billion. First half 1976 receipts increased around 13 percent, led by the sharp boost in livestock receipts mainly from higher prices. Cash receipts will continue to climb in the second half, although at a slower rate, as livestock prices hold near July-December 1975 highs.

Production expenses continue to rise but larger receipts should be offsetting. Increases in the prices paid by farmers as well as larger purchases of some production inputs will push farm production expenses this year some 6 to 8 percent above 1975's \$75 billion. Overall, prices of inputs continue to rise, although some items, notably fertilizer and seed, are priced below year-earlier levels and price increases for others have slackened.

After jumping this summer, feed prices at midyear were 12 percent above a year ago. However, if the large feed grain crop materializes this fall, feed prices may ease seasonally and for all of 1976 perhaps average near 1975's level. Feed volume is expected to be up this year reflecting the larger output of livestock, poultry, and milk. Feeder livestock prices through July 1976 were up over a fourth from depressed levels a year earlier, as feedlot placements picked up.

However, after several months of losses, feedlot operators are not expanding their feeding operations, thus pushing feeder

cattle prices lower. Demand for feeders could pick up later in the year if fed cattle prices rise and feed prices ease as now appears likely.

Fertilizer prices this spring were down a fifth from a year earlier, and prices are expected to show little growth during the rest of 1976. As a result, farmers stepped up usage this year after last year's cutback.

Following sharp rises in 1974 and 1975, pesticide prices paid by farmers this spring were only slightly above a year ago. Along with larger planted acreage and more intensive use, this may boost pesticide use 5 percent or more this year.

Price increases for farm machinery, although slackening some from the past 2 years, still averaged 12 to 15 percent higher in the first half of 1976. Unit sales of farm machinery may not quite match 1975, but higher prices and the trend to larger (and more expensive) units will boost dollar sales in 1976.

Diesel and gasoline prices in July were up around 4 to 5 percent from a year ago. After easing this spring, fuel prices rose again by midyear.

Although interest rates on farm real estate and production loans leveled in early 1976, they remain high by historical standards. And with a 10-percent larger farm debt, interest payments continue to run above a year earlier. Taxes and wage rates continue to increase, up 4 and 10 percent, respectively, over a year ago in January-July 1976.

As a result, total net farm income, which includes the value of farmers' unsold inventories at the end of the year, could match 1975's nearly \$26 billion. The net income position of farmers during the second half of 1976 is likely to hold close to the first half's \$26-billion seasonally adjusted annual rate.

Looking at the first half of 1977, little change in the net income position of farmers is indicated. If feed supplies are available at reasonable prices, as expected, output of animal products should remain large.

Strong foreign demand should help maintain crop prices, despite a somewhat larger volume of marketings. Consequently, gains in cash receipts from farm marketings from first half 1976 should about balance expected increases in production expenses. But the outcome will depend heavily on U.S. and world crops as well as on domestic and foreign demand for our farm products.

Prospective Large Food Supplies Soften Food Price Rises

For consumers, the outlook is for continued large food supplies for the rest of 1976 and early 1977. Per capita food consumption for all of 1976 is expected to be up about 2 percent from last year's

depressed level and could exceed 1972's record high.

Per capita food supplies are likely to remain generally plentiful in the first half of next year. Large crop harvests this fall would assure continued ample supplies of most crop foods through mid-1977. Total red meat supplies during the first half of 1977 may about match their year-earlier level, with a little less beef offset by more pork.

Retail food prices have been relatively stable in 1976 in contrast to the rapid increases of the preceding 3 years. Due mainly to increases in late 1975, first half 1976 prices averaged nearly 5 percent above year-earlier levels.

Food prices are likely to rise moderately during the second half of 1976 as demand remains strong relative to anticipated supplies and as marketing costs continue to edge up. Most livestock products except pork and poultry will likely show moderate seasonal price increases. Moderate price rises are also expected for most crop products, although seasonal declines for potatoes and fresh fruit will likely be more than offsetting.

Average food prices may go out of 1976 about 2 percent above fourth quarter 1975. However, for all of 1976 retail food prices are still likely to average 3 to 4 percent above 1975.

Food prices may continue to advance at a relatively slow pace through the first half of 1977 if crops turn out as large as expected and livestock output holds near recent relatively high levels.

Retail food prices may average 3 to 4 percent above a year ago during January-June 1977, with most of the rise due to wider marketing spreads and higher prices for fish, coffee, and away-from-home eating.

If crop yields come in especially strong, first half food prices would probably hold relatively stable, and remain about 2 percent above a year earlier. On the other hand, poorer crop yields coupled with stronger foreign and domestic demand could result in a stronger price rise, and first half 1977 prices may average some 6 percent above a year earlier.

July Food Prices Up Slightly

Retail food prices are edging higher this summer, but increases continue moderate in comparison with recent years. Consumer food prices in July increased 0.7 percent from June, a little less than the usual advance for the month. Prices for food at home and for restaurant meals and snacks rose at about the same pace.

The July Consumer Price Index for beef rose slightly from June, and retail pork prices were up nearly 2 percent. However, both meat products, along with poultry, rose far less than the usual seasonal increase. Processed fruits and vegetables, and cereal and bakery products were fractionally lower. Fresh fruit prices rose 2 percent while fresh vegetables were fractionally higher.

Compared with a year earlier, retail

food prices averaged only 2 percent higher, much less than the yearly increases of the past 3 years.

Prices for red meats, poultry, fats and oils, sugar and sweets, and fresh fruits and vegetables were lower than a year ago. But higher prices for dairy products, eggs, fishery products, beverages, and restaurant meals and snacks were more than offsetting.

Marketing Spread Continues To Widen

The farm-retail spread for a market basket¹ of farm foods is expected to continue widening this fall and in the first half of 1977. For 1976, the marketing spread may average 4 to 5 percent above 1975, depending on the cost push created by the continued rise in wage rates of food marketing employees and the cost of other marketing inputs.

Most of this year's increase in retail food prices will come from widening farm-retail spreads.

However, the 2-percent decline in farm value of the market basket forecast

¹The market basket represents the average quantities of U.S. farm-originated foods purchased annually per household in 1960-61. Retail cost of these foods is based on an index of retail prices for domestically produced farm foods, a component of the Consumer Price Index published by the Bureau of Labor Statistics. The farm value is the payment to farmers for equivalent quantities of food products minus allowances for byproducts. The farm-retail spread is the difference between the retail cost and farm value.

Marketing Spreads Update

Farm-retail spreads for a market basket of farm foods increased about 1 percent in July, continuing the upward movement since April.

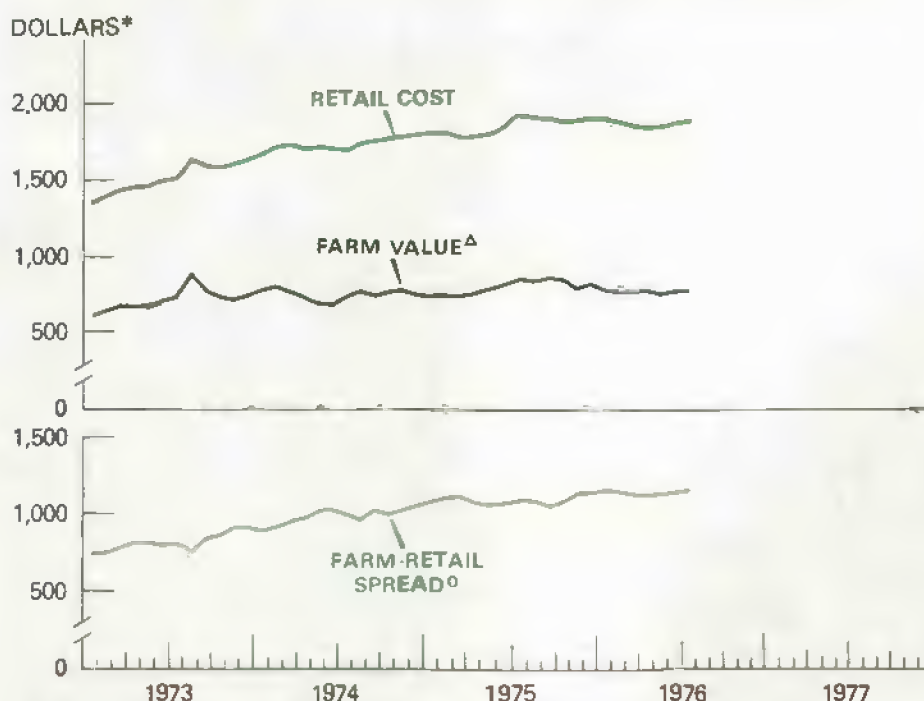
Returns to farmers for these foods dropped 0.5 percent in July while retail prices for these foods increased 0.5 percent in July.

Spreads for both beef and pork increased sharply in July as prices for meat animals declined with little change in prices at retail. In contrast, spreads decreased substantially for poultry and oilseed products while returns to farmers for these products increased sharply.

On a year-to-year basis, the July 1976 farm-retail spread averaged 4.5 percent above the year before, with the retail cost of the market basket down about 1 percent and the farm value down about 8 percent.

The farmer's share of the consumer's food dollar spent in retail food stores for farm foods was 40 cents in July, about the same as in June and 3 cents below a year earlier. (Henry Badger)

SPREADS AND RETAIL COSTS UP SLIGHTLY THIS SUMMER



* ANNUAL RATE PER HOUSEHOLD.

○ THE SPREAD IS THE GROSS MARGIN RECEIVED BY MARKETING FIRMS FOR ASSEMBLING, PROCESSING, TRANSPORTING, AND DISTRIBUTING A MARKET BASKET OF FARM FOODS.

△ THE FARM VALUE IS THE GROSS RETURN TO FARMERS FOR EQUIVALENT AMOUNTS OF THESE FOODS.

for this year will help moderate the rise at retail. This forecast assumes large grain crops and continued big livestock output.

It looks as though the farmer's share of the consumer's dollar for this year will return to the 40-cent level of the late 1960's or early 1970's, down from 42 cents in 1975 and 43 cents in 1974. This year's drop reflects lower farm values as well as increases in food prices.

The cost push on marketing spreads, although winding down from that in recent years, persists. Prospective wage agreements in food and allied industries will continue to exert upward pressure on costs since labor accounts for over half the total food marketing bill. The rise in the cost of inputs used in food processing and marketing slowed in the first half of this year. If this trend continues, cost pressures will be lessened.

Foreign Demand Prospects Strong

U.S. exports of agricultural products in fiscal 1977 may run nearly the same as 1976's \$22 billion, if the volume of exports totals close to a year ago. Export prospects have brightened recently due to accelerated economic activity abroad and reduced crop prospects in Europe. Exports now take more than a third of our combined grain and soybean crops and 40 percent of our cotton production.

The Soviet Union purchased 4.4 million tons of wheat and corn in June and

early July for delivery in 1976/77 under the long-term grain sales agreement. In addition, around 1½ million tons of soybeans (which are not included in the sales agreement) were purchased by the USSR for 1976/77 delivery.

An expanded world grain crop this year will lead to some easing in the tight world food supply, barring adverse weather. World grain production is now forecast at about 1.30 billion metric tons, up from 1.22 billion last year and slightly above trend. Recovery in the Soviet Union's coarse grain output from last year's extremely poor crop and larger production in the United States will account for much of the 6 to 8-percent output gain.

Total grain production in the USSR is currently forecast at about 195 million tons, well above 1975's 140-million-ton crop but somewhat below their goal of 205 million tons. However, output is expected to be up in most other areas of the world except Western Europe, where drought has reduced the grain crop by 4 percent to 125 million tons. Growing conditions in Canada have been unusually favorable, but drought has worsened in Australia.

A more abundant grain supply would provide for increased world consumption as well as a substantial increase in stocks. World carryover could rise as much as a fifth from low levels of recent years. However, the volume of wheat and coarse grain traded on world markets may decline some.



COMMODITIES

Big crops are coming in barring drought and early frost—but don't look for any sharp breaks in prices. Carryin stocks of feed grains, soybeans, and cotton will be sufficiently small—and demand sufficiently strong—to maintain a relatively close supply-demand balance during the 1976/77 marketing year. However, there will undoubtedly be some easing of prices around harvesttime if crops are large. The season average price for all crops may about match last year because of the close supply-demand balance.

In other words, livestock and poultry producers can't really anticipate bargain feed prices in the coming year—and this may take some of the steam out of the production increases now underway for livestock.

Cattle feeders have already begun to slow placements—and pork and poultry producers may follow suit. However, the overall impact of a more moderate expansion rate in meat production should help bolster prices—and returns—for livestock producers over the longer term.

Feed Grain Supply Currently Tight; Record Corn Crop In Prospect

The tight supply situation for corn until the harvest begins makes feed grain prices sensitive to changes in crop prospects in the United States and in other countries. The August 1 estimate of an all-time high 6.2-billion-bushel corn crop would be up 7 percent from last year and provide for larger expected domestic use.

As of August 1, feed grain production was expected to reach a record 212 mil-

WORLD OUTPUT OF MAJOR GRAINS

Commodity	1973/74	1974/75	1975/76 ¹	1976/77 ²
	Mil. metric tons			
Wheat	372.3	356.6	349.3	376.3
United States	46.4	48.9	58.1	57.0
Other countries	325.9	307.7	291.2	319.3
Coarse grains ³	660.2	619.7	630.9	681.3
United States	186.7	150.5	184.1	193.0
Other countries	473.5	469.2	446.8	488.3
Rice, milled basis	219.0	223.6	237.1	232.2
United States	3.0	3.7	4.2	3.6
Other countries	216.0	219.9	232.9	228.6
Total grains	1,251.5	1,199.9	1,217.3	1,289.8
United States	236.1	203.1	246.4	253.6
Other countries	1,015.4	996.8	970.9	1,036.2

¹ Estimated. ² Forecast; for U.S., mid-point of projected range. ³ Corn, oats,

barley, sorghum, rye, millet, and mixed grains. Note: World data as of July 30.

lion short tons, 5 percent more than in 1975.

Feed grain supplies in 1976/77 would be more than adequate to cover expanding domestic use. Feed use is likely to be up moderately in 1976/77 reflecting increases in fed cattle, hogs, and broilers and more grain feeding relative to protein meal. Exports could range between 45 and 55 million tons, compared with 1975/76's record 55 million.

Prices of corn at the farm in 1976/77 are presently expected to average slightly under 1975/76's expected \$2.55 per bushel. The all-time high of \$3.03 was reached in 1974/75. (George R. Rockwell, Jr.)

Soybean Supplies Down a Tenth

U.S. soybean supplies for 1976/77 are estimated at 1.5 billion bushels, about a tenth below those for the year that just ended, if the crop turns out as expected in August. With total use expected to top production, relatively tight supplies are expected to maintain prices well ahead of the \$5 per bushel received in 1975/76. However, future expansion in bean plantings—in Brazil late this year and in the United States next spring—could temper prices in the latter half of the 1976/77 marketing year.

Brazil—where there is great potential for expansion—may increase soybean plantings next December by as much as a fifth above the 6.7 million hectares planted last year. This crop will be harvested in April-May 1977.

Also, U.S. farmers likely will expand soybean acreage in 1977, reflecting the prospective improvement in the soybean/corn price ratio from last year. Last spring the ratio was 1.8 to 1. A ratio close to 2.5 is considered to be favorable for soybean expansion. Based on March 1977 futures prices, the ratio may be running 2.4 to 1 during the spring planting season. (Stanley Gazelle)

Wheat Crop Second Largest Ever; Stocks May Climb

The 1976 wheat crop is estimated at almost 2.1 billion bushels, second only to the 2,134-million-bushel crop in 1975. But with use expected to total less than 1976 output, 1976/77 carryover stocks are expected to build for the third successive year. Thus, producer prices for the 1976/77 season may average somewhat below last year's \$3.52 per bushel at the farm. However, the level of prices and the pattern of price movements will continue to be influenced by U.S. and world grain crop developments.

Domestic use in 1976/77 likely will be up substantially. More wheat will be used for livestock and poultry feeding since wheat prices in most feed deficit areas are low in relation to feed grain prices. If the relatively sharp increase in apparent food

use last year was due at least in part to inventory adjustments, food use in 1976/77 will probably return to trend.

Exports probably won't match the 1,175 million bushels shipped in 1975/76 because of larger world wheat production and thus less demand for imports by several major importing countries. But the need for wheat will continue in some of the less developed countries. (George R. Rockwell, Jr.)

Price Recovery in Cattle Market Delayed

The reduction in the total cattle inventory and the smaller 1976 calf crop are encouraging signs for the cattle industry. However, improved economic conditions for cattlemen may be several months away.

The buildup in the inventory of cattle on feed points to relatively large fed slaughter for the remainder of this year. On July 1, cattle feeders in 23 States indicated plans to market around 6 million fed cattle during July-September. This would be only slightly more than the spring total, but would exceed fed marketings during the summer of 1975 by about one-fifth. Marketings in seven major feeding States were up 29 percent during July. The on-feed inventory of steers and heifers in the middle weight groups points to a fourth quarter fed slaughter moderately below third quarter volume, but still well above a year ago.

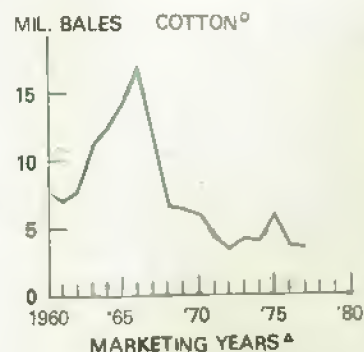
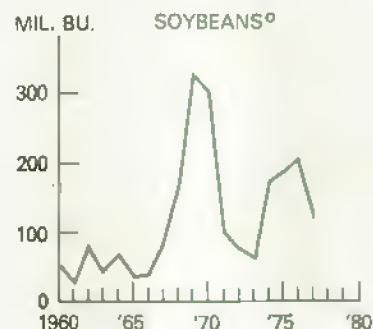
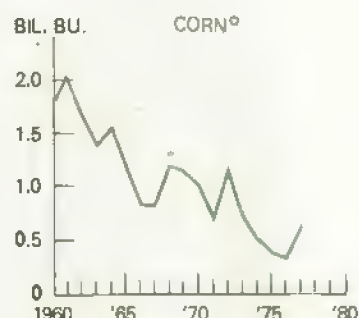
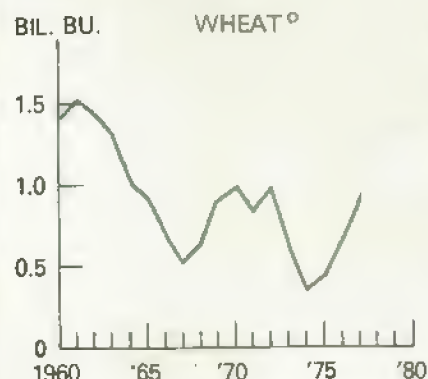
Pressure to continue culling cow herds persists. Losses incurred by feedlots have kept pressure on feeder cattle prices. Nonfed steer, heifer, and cow slaughter likely will not reach the record highs of last summer and fall but will continue large. If fed and nonfed slaughter meets expectations, total slaughter during July-September may about equal the year-earlier level, and a small decline in total slaughter during the fall quarter is likely.

Some price improvement for fed cattle is likely by fall, although movement of the backlog of overfinished cattle from feedlots will be a prerequisite. If total beef output later this year is no larger than a year ago and fed beef supplies are reduced from current levels, Choice steer prices could advance into the mid-\$40's.

Fed beef supplies through the first half of the next year will be determined by placements during the remainder of 1976. Placements of cattle on feed in seven States during July were about the same as a year earlier. With returns to cattle feeders currently well below costs, significantly larger placements this summer and early fall are unlikely.

However, if the fed market improves later this year and feeding costs are

STOCKS AT GENERALLY LOW LEVELS BEGINNING 1976/77



MARKETING YEARS^a
^a YEAR BEGINNING JUNE 1 FOR WHEAT, AUG. 1 FOR COTTON, SEPT. 1 FOR SOYBEANS, AND OCT. 1 FOR CORN. °CARRYIN STOCKS.

reduced, placements this fall and much of next year could be up again. Substantial increases in fed beef supplies, however, would likely be delayed until late spring or early summer. Continued strength in fed cattle prices is likely in early 1977. Increased demand and resulting higher prices for feeder cattle should produce a cutback in nonfed slaughter sufficient to more than offset increased fed marketings. (Eldon Ball)

Improved Returns Boosting Egg Output

After losing money during much of 1975, egg producers made fairly good profits in late 1975 and so far this year. Producers have responded by increasing output—through June it was about 1 percent above a year earlier.

Profits are expected to remain favorable during the remainder of 1976, and egg production will likely be 1 to 2 percent above a year earlier in July-December. Layer numbers will gain relative to 1975 because of an increase in the number of replacement pullets entering the flock. Also, the rate of lay will continue above year-earlier levels. Egg production may continue to show a small increase during the first half of 1977. However, the margin may narrow in the spring since profits are not expected to

be as favorable as this year.

Egg prices were sluggish during much of 1975, but they have been fairly strong in 1976. Apparently, the improved general economic conditions this year have led to stronger demand for both shell eggs and egg products. Use of eggs by commercial egg breakers, which dropped sharply in late 1974 and remained low through 1975, is showing a significant uptrend this year.

Wholesale prices for grade A large eggs in New York averaged a little over 60 cents per dozen in January-July, 6 cents above a year earlier. Egg prices have remained strong and in early August averaged 67 cents per dozen, 12 cents above last year. Prices are expected to remain strong during the balance of 1976, but may show only a small seasonal increase from current levels. First half 1977 prices will drop seasonally from this fall and may average below January-June this year. (Gerald Rector)

More Pork Likely at Lower Prices

Pork production is now on the upturn following a sharply restricted supply in 1975 and early 1976.

Responding to unusually favorable returns in 1975, hog producers increased this year's spring pig crop by 16 percent from a year ago. The initial turnaround in farrowings which began last winter is now starting to raise pork production above year-earlier levels, and continued increases through mid-1977 are likely.

The midyear inventory of market hogs showed the potential for a 14 to 16-percent increase in hog slaughter during the last half of this year, which would push the annual total 3 to 4 percent above 1975's 20-year low. Heavier slaughter weights could assure a production increase of around 5 percent.

On the demand side, further strength in general economic conditions should produce gains in employment and consumer disposable incomes and, thus, result in increased meat purchases. But with big gains in pork output and continued high rates of poultry and fed beef production, lower second half prices for slaughter hogs seem likely this fall.

July-December pork supplies are expected to be up 15 to 17 percent from a year ago. How low retail prices go will depend in part on the farm-retail price spread, which usually widens when hog prices move lower. If supplies increase as expected and marketing spreads continue relatively wide over the next several months, hog prices (barrows and gilts at seven markets) could slip below \$40 before yearend. (Eldon Ball)

Farm Milk Prices Could Set New Highs

The average farm milk price in November-December may approach the

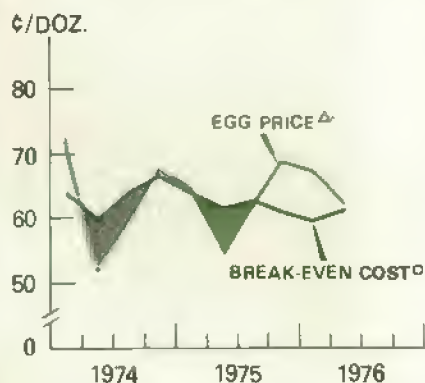
December 1975 record high if current wholesale butter and cheese prices hold until yearend.

By mid-August, grade A butter was quoted at almost \$1.07 per pound in Chicago, up 17 cents since mid-May and only 2 cents below the December 1975 record. At Wisconsin assembly points, 40-pound blocks of American cheese were selling for about \$1.03 per pound, up almost 9 cents from mid-May and a penny below last December.

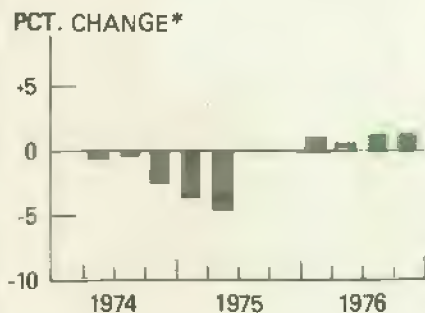
Farm milk prices have only begun to reflect these increases in wholesale prices. Farmers received an average \$9.28 per 100 pounds of milk in July, up only 17 cents from the June seasonal low but still more than \$1 above a year ago. Seasonal advances in farm milk prices will accelerate in coming months as the strength in wholesale prices is more fully reflected.

The primary factor causing the rises in wholesale butter and cheese prices has been the very strong demand for milk and dairy products. These strong sales have absorbed the substantial increases in milk production while holding commercial dairy stocks to moderate seasonal levels. Even though they eased slightly in mid-August, wholesale butter and cheese prices will stay strong, if sales remain brisk. (James J. Miller)

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Generally Lower Fruit Prices Expected This Fall

Noncitrus fruit production in 1976 will probably total close to last year's utilized levels. If August 1 forecasts are realized, we'll have larger crops of grapes, pears, and peaches, but the apple crop will be substantially below 1975's record high.

In addition, another large citrus crop is anticipated for the 1976/77 season, since trees in Florida have been in generally good to excellent condition.

The index of prices received by growers for fresh and processed fruit has trailed year-earlier levels since April—and may continue moderately lower this fall in view of the potentially large citrus crop and the seasonal increase in noncitrus supplies. While apple prices decline seasonally in the fall, the smaller crop and expected strong processor demand will move price levels above a year ago. (Andrew Duymovic and Ben Huang)

Potato Output May Hit a Record

Producers are expected to harvest 1.2 million acres of fall crop potatoes this year, 10 percent more than in 1975 and significantly more than earlier intentions suggested. Based on average yields of the past 5 years, U.S. fall output could increase 7 percent to about 295 million cwt. This compares with 276 million cwt. in 1975 when prices generally exhibited an upward trend to the end of the marketing season. In 1974, a record crop of 289 million cwt. resulted in depressed prices through much of that season.

Even though there may be increased export activity as a result of the drought in Europe, a record fall crop would put substantial downward pressure on U.S. grower prices. Last year, total exports accounted for about 5 percent of U.S. combined output of fresh, frozen, and dried potatoes. (Charles Porter and Joseph Podany)

Cotton Production Rebounds: Strong Demand Anticipated

Cotton supplies this season are expected to only slightly exceed 1975/76's 14.1 million bales as sharply larger production slightly offsets smaller beginning stocks. The 1976 crop as of August 1 was estimated at 10.7 million bales, up from 8.3 million last year but nearly a million below the 1971-75 average.

Strong cotton demand is anticipated this season. Foreign demand for U.S. cotton in particular is expected to pick up, reflecting continuing recovery in economic and textile activity abroad. Also, in contrast to last season when foreign stocks were unusually large, U.S. cotton is priced more competitively in world markets. Accordingly, we may ship out

4¼ to 4½ million bales during 1976/77, compared with 3.4 million last season.

On the domestic front, demand for cotton for U.S. textile mills remains strong, reflecting recent trends to the "natural look." Monthly cotton use is now running at an annual rate of slightly over 7 million bales. However, the rate of consumption is expected to slip later in the season as limited cotton supplies and high prices encourage mills to switch to larger use of manmade fibers. U.S. mill use may total around 6½ to 7 million bales during 1976/77, moderately below last season's 7¼ million. (Russell G. Barlowe)

Cigarette Consumption Up: Higher Prices for Flue-cured

Cigarette consumption gained about 2½ percent over the past 12 months and cigarette exports were up a fourth, but the disappearance of leaf tobacco has been about stable as manufacturers have adopted substantial economies in leaf use.

With increasing popularity of American blend cigarettes abroad, exports of burley tobacco gained a fourth in the year ending June 30, but flue-cured tobacco shipments were down 5 percent. The higher cost of U.S. exports compared with other foreign sources and tax increases by key overseas markets restricted overseas demand last year.

Total use is expected to stay near last season in the current year. The average price of flue-cured tobacco through August 18 was \$1.02 per pound, about 10 cents above a year earlier. Prices this season are expected to reach a record high, well above 1974's \$1.05 a pound.

September Situation Report Schedule
Situation reports which will be released by USDA's Outlook and Situation Board during September 1976 include:

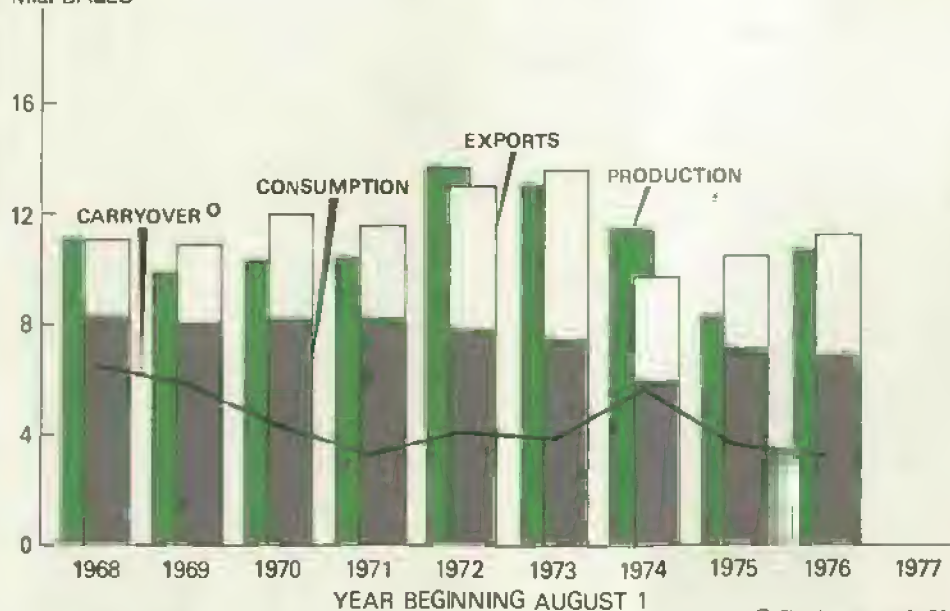
Title	Off Press
Sugar & Sweetener	September 1
Feed	September 3
Poultry & Egg	September 7
Agricultural Supply & Demand	September 13
Fruit	September 13
Cotton & Wool	September 15
Livestock & Meat	September 16
Tobacco	September 22
Dairy	September 23
World Agricultural	September 28

Single copies of the above reports may be obtained by writing to: ERS Publications Unit, Room 0054, South Building, USDA, Washington, D.C. 20250.

Most tobacco has suffered from unfavorable weather, ranging from drought to excessive moisture, and yields remained reduced. Also, acreage is down this year due to allotment reductions. As a result, tobacco production at 2.1 billion pounds as of August 1 this year will be down 6 percent from 1975. However, larger carryover stocks will push 1976/77 supplies up around 2 percent. (Robert H. Miller and Richard Hall)

LARGER 1976 COTTON PRODUCTION FACES STRONGER USE

MIL. BALES *





INPUTS

Prices paid by farmers for production inputs held steady from June to July at a level 8 percent above a year ago. Feeder livestock prices dropped in July for the third successive month and are now 13 percent below last April's peak. After several months of losses, cattle feeders have cut back demand for replacement cattle, pushing feeder cattle prices lower. However, higher prices for feed, fuels and energy, autos and trucks, and farm machinery have been offsetting.

Diesel fuel cost farmers an average of 41.7 cents per gallon in July, and gasoline from the tank truck ran 54.2 cents; both were up around 2 cents a gallon since a year earlier. After easing this spring, fuel prices rose again by mid-year, reflecting higher summer demand.

High Feed Prices Shrink Sales

Feed sales weakened in late July and early August as buyers reacted to sharply higher feed prices. Cattle feeders especially have reduced feed purchases in the face of poor cattle returns. However, dairy feed sales have strengthened, and poultrymen are expanding feed purchases.

Feed prices paid by farmers in July averaged 4 percent over June and 12 percent over a year ago. Since April, feed prices have jumped about 13 percent. The largest increases have occurred for protein ingredients and for mixed feeds high in protein. (Carl J. Vosloh, Jr.)

Farm Equipment Sales Higher

Retail sales of most types of farm machinery during the first 5 months of 1976 were well above a year earlier. Jan-

uary-May tractor sales totaled 72,200 units, up 8 percent. Sales of combines and corn heads rose slightly. However, the most dramatic increases were in sales of haying machinery—balers, up 17 percent; windrowers, up 39 percent; and forage harvesters and mower conditioners, both up 42 percent.

Inventories generally appear sufficient to meet demand, especially for haying machinery, as manufacturers sell accumulated stocks.

At midyear, average prices paid by farmers for tractors and self-propelled machinery were a tenth above a year ago, while prices of other machinery were up a little more than a tenth. The wholesale price index for all agricultural machinery and equipment in July was about 8½ percent higher than a year earlier and some 3½ percent above the beginning of 1976.

Although machinery prices have continued to climb, the rate of increase has

subsided considerably from 1974 and 1975. (Duane Paul)

Farm Mortgage Interest Rates Dip

Interest rates charged on new loans by Federal land banks (FLB's) edged down to 8.67 percent during the second quarter, a hair under the first quarter average of 8.75 percent. Since nearly 80 percent of FLB borrowers are on a variable interest rate plan, the decline will be shared by most borrowers.

Preliminary estimates of the second quarter rate charged by life insurance companies indicate a decline to about 9.9 percent from the first quarter level of 10.02 percent. During periods of declining interest rates, the new money rate charged by life insurance companies often declines faster than the land bank rate. This implies that the life insurance companies will be in a more favorable position to maintain or increase their share of the farm mortgage market—a share that has been decreasing in recent years. (Lindon Robison)

Fertilizer Use May Expand in 1976/77

As of July, average prices received by farmers for the major crops requiring fertilizer were mostly above year-earlier prices. Good fall harvests may depress crop prices somewhat, but if commodity prices are relatively favorable, fertilizer use may expand in 1976/77.

With fertilizer production capacities generally up from a year ago and with relatively large inventories still on hand, the general outlook for the 1976/77 crop year is for fertilizer supplies to be

FUEL PRICES PAID BY FARMERS

Month	Diesel		Gasoline ¹	
	1975	1976	1975	1976
	Ct. per gal.			
Jan.	38.6	41.4	46.0	52.5
Apr.	37.4	40.7	47.3	51.3
July	39.6	41.7	52.4	54.2
Oct.	40.7		53.5	

¹ From tank truck.

FEED PRICES PAID BY FARMERS

Item	1975		1976		
	July	Oct	Jan	Apr	July
	Dol.				
Laying feed (ton)	145	148	143	144	162
Broiler grower feed (ton)	161	164	158	159	181
Turkey grower feed (ton)	163	170	165	162	187
Dairy feed, 16% protein (ton)	130	136	136	135	145
Hog feed, 14-18% protein (cwt.)	8.01	8.21	8.01	7.96	8.98
Beef cattle conc., 32-36% protein (cwt.) ¹	7.91	8.19	8.14	8.09	9.20
Soybean meal, 44% protein (cwt.)	8.57	9.23	8.81	8.84	12.50
Wheat bran (cwt.)	7.06	7.20	7.36	7.35	7.60
Corn meal (cwt.)	6.97	7.09	6.55	6.57	7.20
Alfalfa hay, baled (ton)	65.00	65.60	68.40	73.10	71.20

1967=100

Feed price index (pct.)	184	187	182	183	206
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¹ In 1975, cattle feed, 30% protein and over.

sufficiently large to prevent any significant upward movement in prices, even in the face of increased fertilizer demand. However, in each of the three primary nutrient markets, there are circumstances pending that could alter this general outlook.

Nitrogen: U.S. anhydrous ammonia production capacity is expected to increase by about 1 million tons by the end of this year, and Canada is also expanding output. As a result, prices for nitrogenous fertilizers are expected to be steady to lower, even with increased levels of use.

However, since natural gas is important in the production of anhydrous ammonia, the recently approved price hikes for natural gas moving in interstate markets might alter this picture somewhat. As long-running contracts expire and are renegotiated, some ammonia producers will likely find themselves paying significantly more for their primary input, especially if the rate hikes approved by the Federal Power Commission go into effect.

Phosphorous: While supplies of phosphate rock and phosphate fertilizer materials are plentiful, some market uncertainties exist as the phosphate industry currently is working off accumulated inventories.

Phosphate rock producers increased output last year by about 7 percent over 1974 levels, but domestic and foreign sales lagged and, as a result, July inventories were 54 percent larger than a year ago. Some phosphoric acid facilities have shut down or slowed production in order to reduce high inventories of acid. This slowdown in the produc-

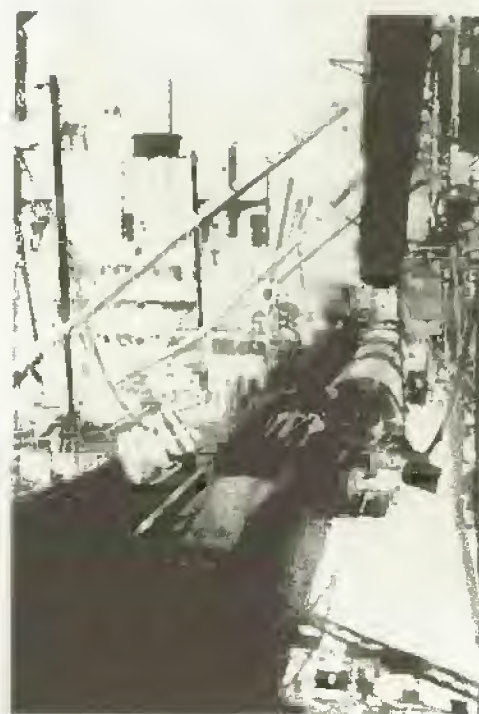
tion of acid, which is used in producing high-analysis phosphate fertilizers, may eventually result in increased prices for phosphate fertilizers. If both export and domestic demand increase in 1976/77, there may be a slight rise in prices paid by U.S. farmers for these fertilizers.

Potassium: Despite an estimated 6-percent reduction in domestic production and a slight drop in net imports in 1975/76, U.S. inventories of potash on July 1 were 13 percent above a year earlier, and producer prices have declined.

Demand for potash by U.S. farmers averages between 4.5 and 5.0 million tons per year, and exports have approximated 800,000 tons annually. Domestic production capacity is about 3.3 million tons, and the United States has imported about 75 percent of its potassium needs from Saskatchewan Province in Canada. Combined U.S. and Canadian production capacity totals 11.6 million tons per year.

If Canadian price and output levels remain stable, supplies of potash should be more than sufficient to meet the needs of both nations in 1976/77 and on into the future. However, the potential effects of the entry of the Provincial Government into the Saskatchewan potash industry are not yet known, and the United States is currently seeking new sources of supply. (Marilyn Altobello)

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WORLD AGRICULTURE AND TRADE

The outlook for fiscal 1977¹, which begins October 1, indicates another good year for U.S. agricultural exports. U.S. farm exports may nearly equal the \$22.1 billion record for the year ending June 30, 1976. However, export tonnage of major bulk commodities may not match fiscal 1976's record volume of 103 million tons.

With expected large supplies, grain export prices may average lower this next year. But supplies will be tighter for soybeans, oilmeal, and cotton.

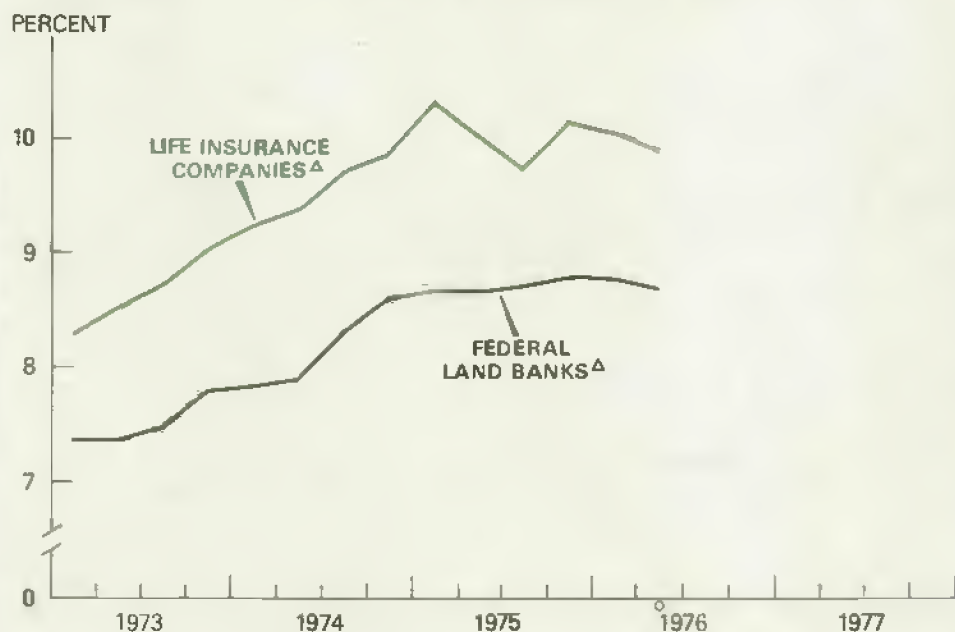
Higher prices will account for most of the anticipated increase in the value of U.S. farm imports in fiscal 1977. Imports may be up 14 to 18 percent from 1975/76's \$10.1-billion record high. Value gains are anticipated for coffee, sugar, meat, crude rubber, and dairy products.

After deducting the cost of Government program shipments, the U.S. agricultural trade balance would be about \$9 billion.

Grain-Feed Export Value May Drop; Oilseed Income May Rise

The value of U.S. grain and feed exports for fiscal 1977 is expected to drop around \$2 billion from fiscal 1976, reflecting anticipated lower volume and

FARM MORTGAGE INTEREST RATES EASE IN 1976



△ AVERAGE INTEREST RATE ON NEW FARM MORTGAGE LOANS. ○ PRELIMINARY.

¹Because of the new October-September fiscal year beginning Oct. 1, 1976, fiscal 1977 data are not perfectly comparable with data from previous July-June fiscal years. For the July-September 1976 period, which is not included in either fiscal 1976 or fiscal 1977 data, exports are estimated heavy.

unit prices. While the recent drought in Europe and the pickup in economic activity in most major markets should stimulate U.S. exports, world wheat and coarse grain production is projected to rise about 8 percent from 1975/76.

Higher prices for soybeans and oilmeal are expected to offset lower export volume in fiscal 1977. The value of U.S. exports of oilseeds and products may be about a half billion dollars more than in fiscal 1976. World output of oilcake and meal is expected to decline in 1977, mainly because of the decline in U.S. soybean output. Foreign demand for protein meal should continue strong because of an anticipated expansion in world livestock production, Europe's poor roughage crops, and the Soviet entry into the world soybean market. However, Brazil is expected to afford strong competition for U.S. soybeans in world markets.

U.S. exports of animals and animal products are expected to continue their strong growth along with world economic recovery. Livestock and products exports are projected to rise about 10 percent in value from fiscal 1976.

Both the volume and value of U.S. cotton exports will rise sharply. The outlook for foreign consumption is more favorable than a year earlier despite higher prices for cotton relative to manmade fibers.

Exports Forecast Up to W. Europe, Japan

Western Europe: Fiscal 1977 U.S. farm exports (adjusted for transshipments) are estimated at \$7.8 billion, up from barely over \$7 billion in fiscal 1976. U.S. feed grain and protein feed exports will be spurred by the drought's effect on grain and forage production.

Limited distress slaughter of cattle in drought areas and continued strong demand for hog and poultry feed should add to demand for feed from the United States.

However, U.S. sales to Western Europe will continue to be constrained by certain policy actions of the EC and area governments. If adopted, a proposed new EC tax on edible oils, which would result in an indirect tax on imported soybeans, could alter the estimate of U.S. exports to the region.

Japan: U.S. agricultural exports are expected to reach \$3.5 billion in fiscal 1977, up from \$3.3 billion in fiscal 1976. The principal commodities responsible for the gain will be beef, feed grains, and cotton.

Anticipated increases in real disposable income should boost Japanese demand for imported food. Sales of U.S. beef may increase significantly due to an expected enlargement of the import quota. A substantial increase in Japan's livestock numbers could boost consumption of feed grains and soybean

VALUE OF U.S. AGRICULTURAL EXPORTS¹

Commodity	July-June			Oct.-Sept.
	1974	1975	1976	1977 ²
\$ Bil.				
Grain and feed	10.8	11.5	11.9	10.0
Oilseeds and Products	5.2	4.9	4.6	5.2
Cotton, including linters	1.3	1.0	.9	1.6
Tobacco . . . . .	.8	.9	.9	1.0
Fruits, nuts, and vegetables	1.1	1.2	1.4	1.4
Sugar and tropical products . . . . .	.3	.4	.4	.4
Livestock and products	1.6	1.4	1.7	1.9
Dairy products . . . . .	.1	.1	.1	.2
Poultry products . . . . .	.1	.1	.2	.2
Total ³	21.3	21.6	22.1	22.0

¹Beginning in fiscal 1977, an October 1-September 30 fiscal year will replace the previous July 1-June 30 year. ²Forecast.

³Total may not equal sum of parts due to rounding.

meal. Although total cotton imports may decline, the U.S. share will probably increase in fiscal 1977 because the spread between U.S. cotton and competing growths has narrowed.

Canada: U.S. farm exports are forecast to increase somewhat, perhaps reaching \$1.5 billion in fiscal 1977. U.S. sales of live cattle, beef, and soybeans may expand; sales of pork and corn may hold near fiscal 1976 levels.

Trade Outlook Trimmed for USSR; Firm for E. Europe

USSR: U.S. agricultural exports to

the USSR are forecast at \$1.3 billion, down from about \$2 billion in fiscal 1976. Grain should account for almost three-fourths of our exports, with soybeans making up most of the remainder.

The sharp recovery from last year expected for the Soviet grain crop will result in lower grain import needs.

Nevertheless, the Soviets are expected to import about 8 million tons of U.S. grain, the maximum permitted under the U.S.-USSR grain sales agreement without prior consultation with the U.S. Government. By mid-August, the USSR had bought 4.4 million tons of U.S.

VOLUME OF U.S. AGRICULTURAL EXPORTS¹

Commodity	July-June			Oct.-Sept.
	1974	1975	1976	1977 ²
Million metric tons				
Feed grains	43.7	34.3	46.4	44.8
Wheat and flour	31.1	28.0	31.5	28.3
Soybeans	14.0	11.0	15.4	14.7
Oilcake and meal	5.0	4.3	4.6	4.5
Rice	1.6	2.2	1.5	2.1
Fresh fruit	1.1	1.3	1.3	1.3
Animal fats	1.1	1.2	.9	1.1
Cotton, including linters	1.3	.9	.7	1.0
Vegetable oils	1.0	.8	.8	.9
Tobacco . . . . .	.3	.3	.3	.3
Total ³	100.3	84.5	103.5	99.0

¹Beginning in fiscal 1977, an October 1-September 30 fiscal year will replace the previous July 1-July 30 fiscal year.

²Forecast. ³Totals may not add due to rounding.

grain for fiscal 1977 delivery.

Eastern Europe: U.S. exports are projected at about \$1 billion, slightly below the \$1.1 billion shipped in fiscal 1976. Grain sales are expected to exceed fiscal 1976 levels because of Eastern Europe's serious crop losses in grains, potatoes, and forages.

Peoples Republic of China (PRC): No increase in U.S. agricultural exports is foreseen in fiscal 1977, with the possible exception of cotton. The PRC faces a continuing trade deficit, and the United States will likely remain a residual supplier.

Forecasts for Other Markets Mixed

U.S. exports to West Asia are expected to be up sharply from fiscal 1976's \$800 million; most of the gain likely will be accounted for by poultry meat, wheat, vegetable oils, and feed grains. Exports to South Asia may decline somewhat in value, particularly if sharply reduced wheat shipments expected to India—after its record 1975/76 food grain harvest—are not offset by increased exports of other commodities.

East and Southeast Asia, excluding Japan and the PRC, will probably increase the value of their imports from

the United States by about 10 percent. Cotton should account for most of the gain, but the volume of grain and soybean shipments may also rise.

The total value of U.S. agricultural exports to Latin America is likely to drop about a fifth below fiscal 1976's \$2.16 billion if weather permits crop production to expand as expected. Fiscal 1977 U.S. exports to Africa will probably about equal fiscal 1976. Lower grain prices will about offset volume increases, and shipments of grains and vegetable oils are expected to increase. (Sally E. Breedlove)



THE MARKETING BILL AND CONSUMER EXPENDITURES FOR U.S. FARM FOODS

by
Andrew Weiser and Terry L. Crawford
National Economic Analysts Division
Economic Research Service

Expenditures by consumers for food produced on U.S. farms this year will likely be up some 3 to 5 percent over the 1975 total of \$159 billion. This represents a slowing from last year's 6.5-percent rise. Most of this year's rise will be due to higher prices.

Higher marketing costs will be the largest contributor to the 1976 increase in food expenditures. The marketing bill will likely average about 5 to 7 percent above last year's \$104 billion, which is

about half the rate of last year's gain. The farm value will likely remain near 1975's \$55 billion. The total farm value has held relatively stable since the sharp runup in 1973 and 1974.

What is the Marketing Bill?

Before proceeding, a definition of the terms used in this article—consumer expenditures, marketing bill, and farm value—would seem appropriate.

Consumer expenditures represent the market value of farm foods originating on U.S. farms purchased by and for civilian consumers in this country. Included are expenditures for foods purchased in retail stores, restaurants, and

other away-from-home eating places, plus the value of food served by schools, hospitals, and other institutions. Seafoods and imported foods are excluded.

The farm value is the payment to farmers for the quantity of farm products consumed by domestic consumers.

The marketing bill—the difference between consumer expenditures and farm value—is an estimate of costs and profits involved in transporting, processing, and distributing U.S. farm foods between the farmer and the consumer. The marketing bill is the basis for showing the distribution of marketing costs among commodity groups, marketing agencies, and individual cost components.

Rise in Food Expenditures Slows

During 1975, the value of consumer food purchases increased around 6½ percent, compared with an increase of 13½ percent in 1973 and almost 12 percent in 1974. The boosts in food expenditures arising from sharply higher farm prices in 1973 and escalating marketing costs in 1974 and 1975 have moderated.

The sharpest increases in consumer expenditures during 1975 were for bakery and grain mill products, primarily because of their increased marketing costs. Expenditures for beef, pork, and other red meats—which accounted for about 27 percent of total food expenditures—held steady. Crop products accounted for slightly over half of all expenditures for the second successive year, though animal products are gaining back some of their former share.

Farm Value Slips

The farm value of U.S.-produced foods fell about 1¼ percent in 1975. Crop products led the decline as record pro-

duction caused prices to average slightly below 1974's record highs. Values for sugar and fats and oils products were both down more than a fifth from 1974.

The farm value of livestock products rose 5 percent from 1974. With high feed prices in late 1974, livestock and poultry producers cut back output in 1975, especially in fed beef and pork. As a result, farm prices of fed cattle, hogs, milk, and broilers averaged higher than in 1974.

Marketing Bill Continued Up Sharply in 1975; Prospects Point to Slowing in 1976

The marketing bill continued its double-digit rise with an 11-percent increase in 1975, following a 13-percent gain in 1974. The largest increases in 1975 were for bakery products, fats and oils, and sugar where marketing costs increased by more than a fourth, while the farm value declined. The marketing bill for pork products declined by 14 percent as reduced production drove up farm prices and consumer resistance kept retail prices from increasing. However, developments through the first half of 1976 point to a dramatic slowing in the rate of increase in the marketing bill. Current prospects point to only a 5 to 7-percent rise this year.

Labor costs are the largest component of the marketing bill, accounting for about 51 percent of the total in 1975, a slightly greater share than in previous years.

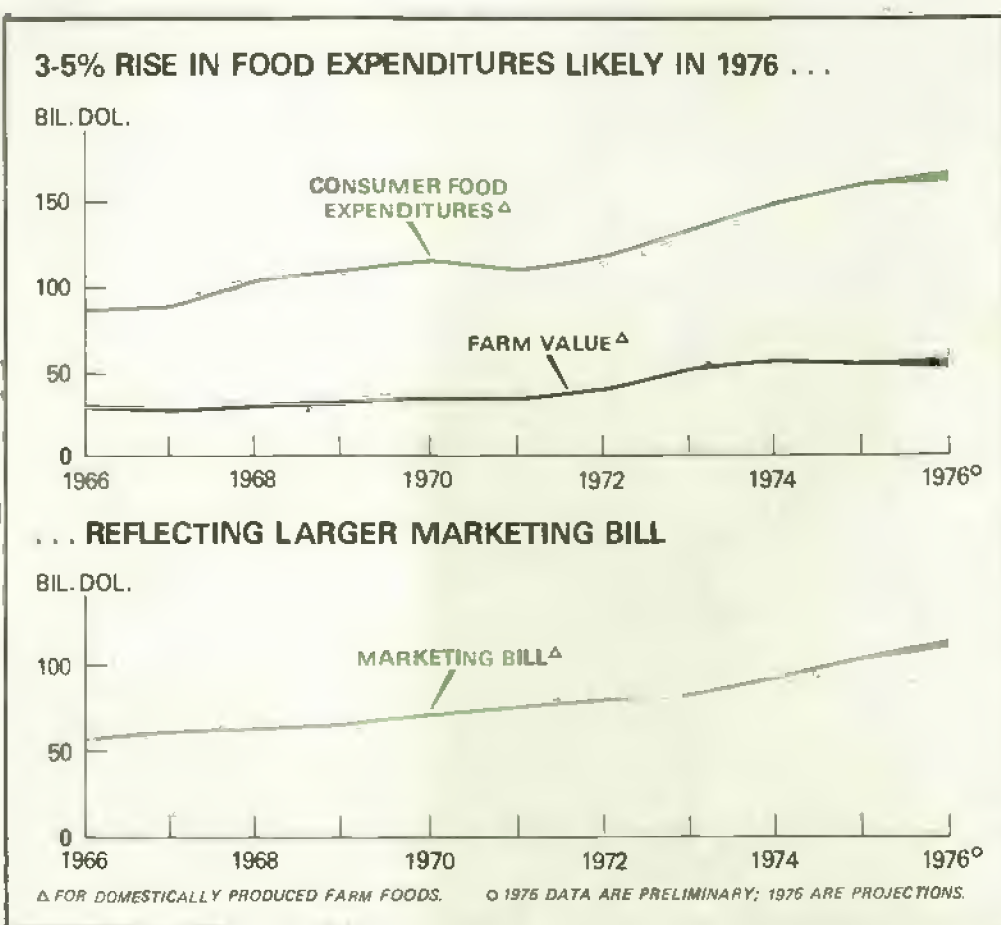
Total cost of labor in marketing farm foods came to \$52.7 billion last year, up 13 percent from 1974. This increase occurred as man-hours declined slightly while hourly labor costs rose 14 percent. At the same time, productivity in food marketing gained around 1 percent due to the drop in man-hours. Therefore, per unit labor costs increased only a little less than hourly labor costs as the volume of food marketed remained almost unchanged.

It is expected that as inflation slows, the urge to "catch-up" in wage increases will diminish and labor costs will increase more slowly. Average earnings of food marketing employees, which excludes workers in eating places, were \$4.39 per hour in 1975. Wage rates continued upward in the first half of 1976 when hourly earnings of food marketing employees averaged \$4.70, a smaller rate of increase than for previous years.

Packaging, the second largest segment of the marketing bill, also increased its share of the marketing bill in 1975 and now accounts for 13 percent (\$13.5 billion). From 1973 to 1975, the cost of packaging materials to marketing agencies increased 35 percent

because of higher prices stemming from a shortage of fiberboard boxes and the added costs of petroleum-based materials. These increases should slow in 1976 as capacity in packaging manufacture expands. Wholesale prices of packaging materials, which rose 15 percent from a year earlier in 1975, were up about 5 percent in the first half of 1976.

Truck and rail transportation costs, the third largest component of the food marketing bill, are expected to continue registering strong increases through 1976. These costs rose 18 percent in 1975, which was accounted for by a 13.2-percent boost in transportation rates and a 1.4-percent increase in the quantity of farm foods shipped. The increase



COST COMPONENTS OF THE MARKETING BILL FOR FARM FOODS

Year	Labor ¹	Packaging	Transportation ²	Profits ³	Other ⁴	Total
\$ Bil.						
1960	19.7	5.4	4.1	2.1	13.3	44.6
1965	23.3	6.2	4.2	3.0	17.3	54.0
1970	32.3	8.5	5.2	3.6	21.5	71.1
1971	34.5	9.0	6.0	3.9	22.0	75.4
1972	37.6	9.4	6.1	3.5	21.8	78.4
1973	40.4	9.9	6.1	4.6	21.5	82.5
1974	46.6	11.6	7.3	5.3	22.5	93.3
1975 ⁵	52.7	13.4	8.5	6.7	22.4	103.7

¹Includes supplements to wages and salaries such as social security and unemployment insurance taxes and health insurance premiums. Also includes imputed earnings of proprietors, partners, and family workers not receiving stated remuneration.

²Excludes charges for hauling and for air and water transportation. ³Before-tax corporate profits. ⁴Includes business taxes, depreciation, rent (net), advertising, repairs, bad debts, contributions, interest (net), and other costs. ⁵Preliminary.

in 1975 to \$8.5 billion matched 1974's \$1.2-billion rise. These cost estimates do not include local hauling costs. Higher costs have boosted food transportation expenditures from 7.8 percent of the marketing bill in 1974 to 8.2 percent in 1975.

Railroad rate changes in 1976 are expected to approach the 14-percent

increase attained in 1975, which had moderated somewhat from 1974 when the rates for all agricultural commodities combined gained 16 percent. Truck rates have increased but probably not as uniformly as rail rates. Nevertheless, the upward movement of labor, maintenance, fuel, and equipment costs are being reflected in higher truck trans-

portation costs.

Truck rates for movement of unmanufactured agricultural commodities are not regulated and thus reflect the interaction between equipment supply and demand for service. These unregulated truckers, however, are also forced to raise rates as operating costs go up. Even though the supply of trucks was generally adequate during 1975, limited data suggest that rates of unregulated truckers increased. Finally, operating costs for vehicles operated intercity by food marketing, processing, and distribution firms would have been subject to similar pressures, and many such firms probably raised product prices in an attempt to recoup their higher transportation costs.

Profits before taxes for corporations accounted for about 6.5 percent of the marketing bill in 1975. However, before-tax profits rose about a fourth over 1974 as the food industry, and especially retailing, emerged from a period of stiff price competition. With farm values decreasing and retail prices rising, a large increase in profits was expected.

With the outlook for farm prices to remain about stable and for retail prices to move up again in 1976, profits are expected to rise again this year, though possibly at a slower rate than in 1975.

The other cost components of the marketing bill—business taxes, depreciation, rent, advertising, repairs, and interest—are expected to about maintain their respective shares.

Retailing Is Largest Marketing Function

In analyzing the marketing bill, four areas are identified by function—processing, wholesaling, retailing, and public eating places. In the past 2 years, retailing has surpassed processing as the largest of these. The bill for processing is expected to rise at a slower rate in 1976 than other agency bills as processors continue to realize increasing productivity. Labor costs are around half of the marketing bill for processing and retailing, two-fifths for wholesaling, and three-fifths for public eating places.

Corporate profits before taxes, the only other cost component identified by agency, are at a higher rate than last year and can be expected to continue to increase. Income to non-corporate enterprises are included in labor costs. Profits represent 12.5 percent of the processing marketing bill, 9.3 percent of the wholesaling bill, 2.8 percent of the retailing bill, and 2.4 percent of the marketing bill for public eating places. The higher profit share of the processing bill results from almost total corporate control of food processing firms. In contrast, only about half of the public

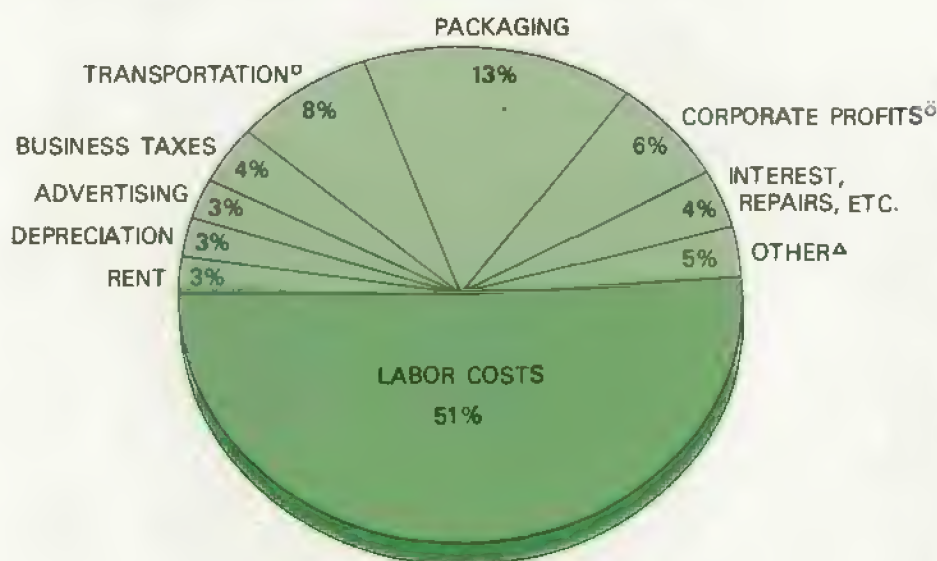
INDEXES OF LABOR COST FOR MARKETING FARM FOODS

Year	Total labor cost	Manhours	Hourly labor cost ¹	Unit labor cost ²	Food volume index		Output per manhour ⁴
					Retail price weighted ³	Farm price weighted ³	
					1967=100		
1960	76	102	74	87	87	87	85
1965	90	99	91	94	96	97	97
1970	125	102	123	118	106	105	104
1971	133	103	129	122	109	108	106
1972	145	105	140	131	110	108	105
1973	156	106	147	144	108	104	102
1974	180	109	165	164	110	107	101
1975 ⁵	204	108	188	184	110	109	102

¹Quotient of the indexes of total labor cost and man-hours worked. ²Quotient of the indexes of total labor cost and the retail price-weighted food volume index. ³The retail food volume index of farm food products is constructed by weighting the quantities consumed on a retail weight basis by 1957-59 average retail expenditures and labor costs. Similarly, the farm price

weighted index is constructed by weighting the quantities on a farm weight basis by 1957-59 average farm prices. The farm volume index is used in evaluating changes in farm value and farm marketings. ⁴Or productivity; quotient of the retail price weighted volume index and the manhours index. ⁵Preliminary.

LABOR COSTS ARE 51% OF 1975 MARKETING BILL*



^Δ RESIDUAL INCLUDES SUCH COSTS AS UTILITIES, FUEL, PROMOTION, LOCAL FOR-HIRE TRANSPORTATION, INSURANCE. [○] BEFORE TAXES. ^Δ INTERCITY RAIL AND TRUCK. * BILL FOR MARKETING FARM FOODS: 1975 DATA ARE PRELIMINARY.

eating places are owned by corporations. Also, the profit rate for labor intensive eating places is about half that of capital intensive processing.

More detailed information including historical data for the marketing bill will be available in an upcoming statistical bulletin.

Away-from-Home Food Purchases Vary With Incomes

The food marketing sector may be bisected into food-consumed-at-home and food-consumed-away-from-home markets.

The away-from-home market has accounted for between 27 and 30 percent of total expenditures for food since 1970. Its share is sensitive to changes in disposable incomes; thus, the share decreased during the recent recession and rebounded with the 1975 upturn.

Because the away-from-home market usually involves adding more services to a product than the at-home market, the marketing bill accounts for a larger proportion of away-from-home food expenditures. In 1975, marketing costs represented 74 percent of away-from-home expenditures, versus 62 percent for food consumed at home.

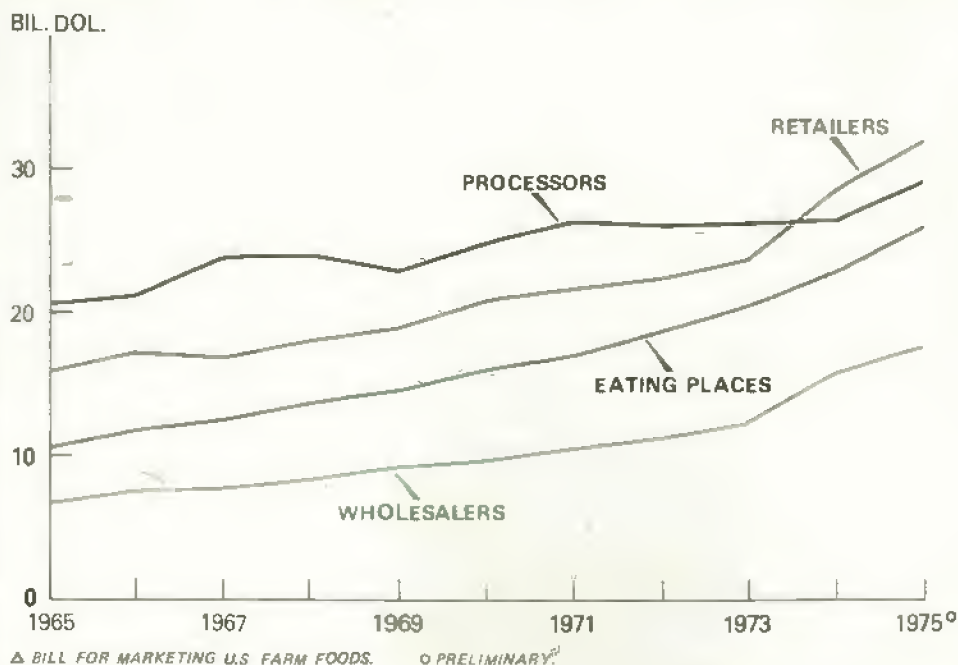
In the past 3 years, prices of food eaten away from home have increased at a slower rate than prices for food consumed at home. This is largely due to the higher price elasticities for food away from home. As a result, public eating establishments have greater difficulty in passing on increased costs.

The outlook is for the away-from-home marketing bill to increase at a faster rate than the at-home bill during 1976, especially as farm values hold steady or decrease and the economic recovery continues.

MARKETING BILL FOR AT-HOME AND AWAY-FROM-HOME FOOD EXPENDITURES

Item	Farm value	Marketing bill	Share of expenditures
	\$ Bil.	\$ Bil.	Pct.
Consumer food expenditures . . .	55.2	103.7	65.2
At-home	43.2	68.9	61.5
Away-from-home	12.0	34.9	74.4
Public eating places	9.5	26.9	73.9
Institutions	2.5	8.0	76.2

RETAILING NOW LARGEST COMPONENT OF MARKETING BILL^Δ



AT-HOME AND AWAY-FROM-HOME EXPENDITURES FOR FARM FOODS

	Total	At-home ¹	Away-from-home ²
	\$ Bil.		
	Consumer expenditures		
1965	81.1	60.2	20.9
1970	105.9	74.5	31.4
1971	110.7	77.6	33.1
1972	117.8	82.8	35.0
1973	133.6	95.3	38.3
1974	149.3	108.1	41.2
1975 ³	159.0	112.1	46.9
	Marketing bill		
1965	54.0	38.1	15.9
1970	71.1	46.1	25.0
1971	75.4	48.7	26.7
1972	78.5	50.8	27.7
1973	82.5	53.5	29.0
1974	93.3	62.1	31.2
1975 ³	103.7	68.9	34.8
	Farm value		
1965	27.1	22.1	5.0
1970	34.8	28.4	6.4
1971	35.3	28.9	6.4
1972	39.3	32.0	7.3
1973	51.1	41.8	9.3
1974	56.0	46.0	10.0
1975 ³	55.3	43.2	12.1

¹ Food consumed from the home food supply (primarily purchased from retail food stores).

² Includes restaurants, cafeterias, snack bars, and other eating establishments and the value of food served in hospitals, schools, colleges, and other institutions. ³ Preliminary.

CONSUMER EXPENDITURES, FARM VALUE, AND MARKETING BILL FOR DOMESTIC FARM FOODS

	1960	1965	1970	1971	1972	1973	1974	1975
	\$ Mil.							
Consumer expenditures:								
All farm food	66,881	81,115	105,924	110,686	117,780	133,638	149,319	158,974
Beef	10,016	13,036	19,045	19,998	24,000	26,738	26,395	26,183
Pork	7,182	8,020	11,901	11,871	12,347	14,076	15,322	15,032
Other red meats	1,391	1,350	1,348	1,395	1,409	1,413	1,543	2,244
Fluid milk and cream	7,110	7,418	8,602	8,861	9,328	9,130	10,890	10,933
Other dairy	4,988	5,632	7,500	7,826	8,323	9,770	10,404	11,783
Poultry	2,711	3,600	5,296	5,277	5,753	7,763	6,945	7,652
Eggs	2,478	2,624	3,414	3,085	3,007	4,211	3,972	3,910
Fresh fruits	2,754	2,931	3,794	4,159	3,884	4,811	5,485	5,970
Fresh vegetables	4,724	5,781	6,815	6,894	7,225	9,355	9,608	9,674
Processed fruits	2,577	2,751	3,383	3,736	3,371	4,070	4,284	5,495
Processed vegetables	4,617	6,318	7,778	8,163	8,305	9,726	11,851	12,159
Grain mill products	2,565	3,045	3,242	3,239	3,330	4,095	5,014	5,790
Bakery products	6,828	8,193	9,635	11,210	11,628	12,707	15,569	18,480
Fats and oils	1,655	2,609	3,814	4,221	4,522	5,386	7,646	7,872
Other foods	5,285	7,807	10,357	10,751	11,348	10,387	14,391	15,797
Farm value:								
All farm food	22,315	27,112	34,774	35,318	39,348	51,109	56,010	55,250
Beef	5,044	6,218	9,333	10,145	11,841	14,151	12,928	12,469
Pork	2,732	3,517	4,207	3,568	4,629	6,299	6,154	7,116
Other meats	650	612	564	566	583	567	530	491
Fluid milk and cream	2,820	2,988	3,801	3,786	4,021	3,745	5,045	5,140
Other dairy	1,884	2,074	2,978	2,984	3,250	4,357	4,213	4,727
Poultry	1,434	1,694	2,110	2,119	2,323	3,853	3,330	3,985
Eggs	1,465	1,389	1,814	1,497	1,433	2,497	2,413	2,320
Fresh fruits	900	957	1,182	1,153	1,214	1,640	1,533	1,690
Fresh vegetables	1,427	1,766	1,862	2,022	2,193	2,822	2,710	3,055
Processed fruits	565	665	814	771	844	971	1,133	1,216
Processed vegetables	606	1,132	1,175	1,263	1,231	1,816	2,803	2,298
Grain mill	555	618	552	562	608	917	1,149	1,171
Bakery	883	1,256	1,383	1,572	1,728	2,663	3,643	3,089
Fats and oils	480	825	1,206	1,337	1,272	2,050	3,758	2,905
Other foods	911	1,401	1,793	1,973	2,178	2,761	4,668	3,578
Marketing bill:								
All farm food	44,566	54,003	71,150	75,368	78,432	82,539	93,309	103,724
Beef	5,011	6,818	9,712	9,853	12,159	12,587	13,467	13,714
Pork	4,449	4,503	7,694	8,303	7,718	7,777	9,168	7,916
Other meat	741	738	784	829	826	846	1,013	1,753
Fluid milk and cream	4,290	4,430	4,801	5,075	5,307	5,385	5,845	5,793
Other dairy	3,104	3,558	4,522	4,842	5,073	5,413	6,191	7,056
Poultry	1,277	1,906	3,186	3,158	3,430	3,910	3,615	3,667
Eggs	1,013	1,235	1,600	1,588	1,574	1,714	1,559	1,590
Fresh fruits	1,854	1,974	2,612	3,006	2,670	3,171	3,952	4,280
Fresh vegetables	3,297	4,015	4,953	4,872	5,032	6,533	6,898	6,619
Processed fruit	2,013	2,086	2,569	2,965	2,527	3,099	3,151	4,279
Processed vegetables	4,012	5,186	6,603	6,900	7,074	7,910	9,048	9,861
Grain mill	2,010	2,427	2,690	2,677	2,722	3,178	3,865	4,619
Bakery	5,945	6,937	8,252	9,638	9,900	10,044	11,926	15,391
Fats and oils	1,175	1,784	2,608	2,884	3,250	3,336	3,888	4,967
Other foods	4,374	6,406	8,564	8,778	9,170	7,626	9,723	12,219

STATISTICAL INDICATORS

FARM INCOME

Gross and net farm income ¹		First Half			1973	1974				1975				1976	
Items		1974	1975	1976	IV	I	II	III	IV	I	II	III	IV	I	II
\$ Bil.															
Cash receipts from farm marketings		94.7	85.6	96.2	94.0	99.4	90.0	89.3	91.7	80.0	91.1	96.5	90.8	90.9	101.5
Nonmoney and other farm income ²		7.4	8.4	9.2	8.4	7.4	7.5	7.7	7.8	8.4	8.5	8.7	8.8	9.1	9.3
Realized gross farm income		102.1	94.0	105.4	102.4	106.8	97.5	97.0	99.5	88.4	99.6	105.2	99.6	100.0	110.8
Farm production expenses ..		72.0	74.8	80.2	69.2	72.6	71.5	72.7	72.8	73.4	76.1	76.8	75.7	79.3	81.0
Farmers' realized net income		30.1	19.2	25.2	33.2	34.2	26.0	24.3	26.7	15.0	23.5	28.4	23.9	20.7	29.8
Net change in farm inventories		-1.1	2.4	.3	5.5	-1.5	-.8	0	-2.9	3.5	1.3	1.6	5.2	2.0	-1.4
Farmers' total net income		29.0	21.6	25.5	38.7	32.7	25.2	24.3	23.8	18.5	24.8	30.0	29.1	22.7	28.4

¹ Quarterly data are seasonally adjusted at annual rates. ² Includes recreation, machine hire, and custom work. Note: As of July 1976, government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from

Cash receipts from farming		January-June			1975	1976					
Items		1974	1975	1976	June	Jan	Feb	Mar	Apr	May	June
\$ Mil.											
Farm marketings and CCC loans ¹		40,709	36,362	41,332	6,662	8,501	6,389	6,211	6,253	6,163	7,814
Livestock and Products		21,443	19,606	23,540	3,619	3,844	3,726	3,893	4,103	3,910	4,063
Meat animals		13,096	11,561	14,152	2,209	2,270	2,268	2,342	2,555	2,257	2,460
Dairy products		5,027	4,789	5,778	822	957	890	978	960	1,012	981
Poultry and eggs		3,049	3,011	3,356	547	578	530	538	541	592	576
Other		271	245	254	41	39	38	35	47	49	46
Crops		19,266	16,756	17,792	3,043	4,657	2,663	2,318	2,150	2,253	3,751
Food grains		3,183	2,903	3,102	750	625	339	286	290	419	1,143
Feed crops		5,812	4,847	5,484	822	1,493	908	738	608	642	1,095
Cotton (lint and seed)		1,079	978	850	67	478	167	120	26	28	31
Tobacco		203	289	329	3	286	22	1	11	9	0
Oil-bearing crops		3,646	2,513	2,743	374	927	487	329	269	238	493
Vegetables and melons		2,212	2,001	2,024	479	316	271	324	355	361	397
Fruits and tree nuts		1,348	1,430	1,560	353	248	213	191	237	274	397
Other		1,783	1,795	1,700	195	284	256	329	354	282	195
Government payments		93	489	255	14	83	53	32	52	16	19
Total cash receipts ²		40,802	36,851	41,587	6,676	8,584	6,442	6,243	6,305	6,179	7,833

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding. Note: As of July 1976, annual and monthly cash receipts data revised for 1973-75.

Cash receipts¹ from farm marketings, by States, January-June

State	Livestock and Products		Crops ²		Total ²	
	1975	1976	1975	1976	1975	1976
			\$ Mil.			
NORTH ATLANTIC						
Maine	113.4	125.5	70.5	104.1	183.8	229.6
New Hampshire	24.8	28.3	9.5	9.6	34.3	37.9
Vermont	93.8	120.0	9.5	9.4	103.4	129.4
Massachusetts	50.7	55.9	43.4	53.0	94.1	108.9
Rhode Island	5.4	6.1	7.4	4.5	12.7	10.6
Connecticut	54.5	65.9	62.8	72.6	117.3	138.5
New York	492.7	614.7	167.0	171.3	659.7	786.0
New Jersey	49.2	57.7	65.0	63.3	114.2	121.0
Pennsylvania	553.6	649.9	198.2	213.3	751.8	863.2
NORTH CENTRAL						
Ohio	533.0	610.8	625.3	524.1	1,158.3	1,134.9
Indiana	565.7	638.1	489.9	548.0	1,055.7	1,186.0
Illinois	880.2	986.2	1,513.6	2,016.8	2,393.8	3,003.1
Michigan	330.7	405.8	320.5	321.4	651.2	727.2
Wisconsin	1,010.7	1,277.1	179.1	205.2	1,189.8	1,482.3
Minnesota	957.0	1,136.4	690.6	715.6	1,647.7	1,852.0
Iowa	1,811.9	2,062.0	1,192.0	1,321.0	3,003.9	3,383.0
Missouri	669.7	812.7	352.8	370.7	1,022.4	1,183.4
North Dakota	192.7	265.6	523.6	580.3	716.3	845.9
South Dakota	609.8	775.4	221.4	192.7	831.1	968.2
Nebraska	1,013.1	1,197.8	675.6	769.7	1,688.8	1,967.6
Kansas	716.2	973.8	714.4	759.9	1,430.6	1,733.7
SOUTHERN						
Delaware	78.3	84.4	22.8	19.3	101.1	103.6
Maryland	192.7	214.0	86.8	72.4	279.5	286.4
Virginia	229.1	266.3	90.7	73.8	319.8	340.1
West Virginia	42.1	48.0	15.1	14.5	57.2	62.5
North Carolina	457.5	508.4	212.3	165.5	669.8	673.9
South Carolina	124.1	142.2	144.1	130.5	268.2	272.7
Georgia	518.4	586.5	222.0	179.9	740.4	766.4
Florida	291.8	354.7	1,291.6	1,270.9	1,583.4	1,825.6
Kentucky	286.6	362.1	256.2	293.5	542.8	655.6
Tennessee	254.9	332.9	113.4	133.6	368.3	466.5
Alabama	390.6	448.3	157.5	140.7	548.2	588.9
Mississippi	306.0	364.3	218.4	237.0	524.5	601.4
Arkansas	439.5	514.3	339.8	259.9	779.3	774.2
Louisiana	151.3	192.6	309.5	241.7	460.8	434.3
Oklahoma	463.1	642.2	293.0	345.2	756.1	987.5
Texas	1,381.7	1,729.0	968.5	1,037.7	2,350.2	2,766.7
WESTERN						
Montana	107.4	146.3	223.5	254.0	330.9	400.2
Idaho	221.1	278.7	266.7	268.6	487.8	547.2
Wyoming	66.6	92.4	26.3	38.2	92.9	130.6
Colorado	627.6	727.7	177.8	158.2	805.4	885.9
New Mexico	165.1	201.7	54.9	55.6	220.0	257.4
Arizona	238.1	287.4	322.3	296.9	560.4	584.3
Utah	93.3	117.1	35.5	28.1	128.8	145.2
Nevada	35.7	46.1	10.0	19.7	45.7	65.8
Washington	208.3	255.9	495.6	575.1	703.9	831.0
Oregon	143.4	177.4	180.9	182.6	324.3	360.0
California	1,331.9	1,520.9	1,933.8	2,139.8	3,265.7	3,660.7
Alaska	2.0	2.0	.3	.3	2.3	2.3
Hawaii	28.2	30.2	155.7	132.5	183.9	162.7
UNITED STATES						
Grand Total	19,605.3	23,539.7	16,757.2	17,792.3	36,362.5	41,332.1

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm marketing indexes (physical volume)¹

Items	January-June			1975	1976					
	1974	1975	1976	June	Jan	Feb	Mar	Apr	May	June
1967=100										
All commodities	97	95	104	101	130	99	94	92	91	115
Livestock and products	102	102	109	104	107	105	110	111	106	113
Crops	91	86	97	97	162	90	74	66	70	119

¹ Base weight period shifted from 1967-69 to 1971-73.

Farm Production¹

Items	1970	1971	1972	1973	1974	1975	1976 ²
1967=100							
Farm output	101	111	110	112	108	111	112
All livestock products ³	105	108	108	105	106	100	103
Meat animals	108	112	110	108	110	101	102
Dairy products	100	101	102	98	98	98	100
Poultry and eggs	106	107	109	106	106	102	109
All crops ⁴	101	112	113	120	110	122	121
Feed grains	89	116	112	115	93	113	119
Hay and forage	99	105	104	109	104	108	101
Food grains	91	107	102	112	120	141	136
Sugar crops	114	117	128	112	104	130	128
Cotton	139	145	187	175	158	112	144
Tobacco	97	86	88	88	101	111	104
Oil crops	117	121	131	155	127	151	137
Cropland used for crops	98	100	98	104	106	108	108
Crop production per acre	104	112	115	115	103	113	112

¹ Prepared jointly by Economic Research Service and Statistical Reporting Service. For historical data and explanation of indexes, see "Changes in Farm Production and Efficiency," Statistical Bulletin 548. ² Preliminary indexes for 1976 based on August 1976 "Crop Production" and other releases of the Crop Reporting Board, SRS.

³ Gross livestock production includes minor livestock products not

included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

FARM PRICES: RECEIVED AND PAID

Indexes of prices received and paid by farmers, U.S. average

Items	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
1967=100										
Prices Received										
All farm products	192	180	189	191	187	186	189	191	196	196
All crops	213	202	197	203	193	195	193	198	211	216
Food grains	309	242	223	225	233	227	222	218	218	213
Feed grains and hay	216	235	221	229	216	217	214	229	237	242
Feed grains	218	237	219	231	214	216	213	223	235	242
Cotton	231	158	245	181	230	235	223	254	302	340
Tobacco	138	166	158	150	158	158	158	158	158	153
Oil-bearing crops	204	203	180	196	170	169	171	181	222	240
Fruit	136	138	133	154	130	138	140	138	127	119
Fresh market ¹	131	132	133	152	129	138	141	139	126	115
Commercial vegetables	137	166	160	168	157	167	165	142	153	159
Fresh market	154	176	168	178	163	179	177	140	157	168
Potatoes ²	358	192	238	291	233	236	243	246	248	228
Livestock and products	173	160	183	181	183	178	186	185	184	178
Meat animals	176	157	181	187	178	173	188	186	187	176
Dairy products	171	162	190	163	194	193	188	183	181	184
Poultry and eggs	162	170	179	181	186	175	172	178	174	179
Prices Paid										
Commodities and services, interest, taxes, and wage rates	162	178	192	183	191	192	193	193	195	195
Family living items	146	163	173	168	172	173	174	174	175	177
Production items	161	179	195	184	193	194	197	196	199	199
Feed	182	189	186	184	183	185	183	187	199	206
Feeder livestock	169	124	162	134	160	158	174	168	162	152
Interest on indebtedness secured by farm real estate	235	281	302	281	302	302	302	302	302	302
Taxes on farm real estate	154	162	169	162	169	169	169	169	169	169
Wage rates (seasonally adjusted)	175	190	211	192	213	213	209	209	209	209
Production items, interest, taxes, and wage rates	168	184	200	189	199	200	202	201	204	204
Prices received (1910-14=100)	479	448	473	477	468	464	473	477	490	489
Prices paid, etc. (Parity index) (1910-14=100)	549	604	654	621	649	652	656	656	663	664
Parity ratio	87	74	72	77	72	71	72	73	74	74

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans.

Prices received by farmers, U.S. average

Commodities	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
Crops										
All wheat (\$/bu.)	4.47	3.63	3.52	3.33	3.66	3.65	3.50	3.43	3.42	3.33
Rice, rough (\$/cwt.)	16.75	11.08	7.14	—	7.54	5.91	7.09	7.06	7.32	—
Corn (\$/bu.)	2.58	2.77	2.54	2.72	2.48	2.50	2.46	2.61	2.74	2.82
Sorghum (\$/cwt.)	3.94	4.28	4.14	4.25	4.09	4.13	4.13	4.14	4.29	4.53
All hay, baled (\$/ton)	47.60	51.90	56.60	51.20	54.30	54.10	54.10	64.80	59.60	59.00
Soybeans (\$/bu.)	5.56	5.47	4.83	5.28	4.50	4.46	4.52	4.87	6.16	6.73
Cotton, Upland (cts./lb.)	51.90	35.60	55.00	40.60	51.70	52.80	50.20	57.10	68.00	76.50
Potatoes (\$/cwt.)	6.78	3.61	5.03	6.29	4.80	4.95	5.23	5.26	5.43	4.85
Dry edible beans (\$/cwt.)	40.80	18.40	17.60	19.60	18.80	17.90	16.20	17.00	16.00	16.60
Apples for fresh use (cts./lb.)	11.30	12.20	8.7	14.4	8.3	9.1	10.0	9.3	7.1	9.5
Pears for fresh use (\$/ton)	¹ 206	¹ 178	¹ 215	300	188	239	218	244	—	140
Oranges, all uses (\$/box) ²	1.67	1.56	2.09	1.90	1.93	2.09	2.16	2.31	2.24	1.53
Grapefruit, all uses (\$/box) ²	1.47	1.73	1.36	1.61	1.25	1.22	1.27	1.87	1.16	1.10
Livestock										
Beef cattle (\$/cwt.) ³	39.60	31.00	35.40	35.20	34.20	33.60	37.90	36.90	36.30	33.50
Calves (\$/cwt.) ³	47.40	26.40	36.00	27.70	34.40	35.30	38.00	38.80	37.90	35.20
Hogs (\$/cwt.)	32.60	41.20	47.40	53.90	47.90	45.50	47.00	47.50	49.10	47.70
Lambs (\$/cwt.) ³	39.30	41.30	51.70	43.10	46.80	49.70	54.60	60.30	51.00	46.90
All milk, sold to plants (\$/cwt.) ³	8.59	8.21	9.57	8.25	9.79	9.72	9.37	9.23	9.11	⁴ 9.28
Milk, manuf. grade (\$/cwt.) ³	7.58	7.04	8.53	7.27	8.45	8.53	8.50	8.31	8.32	⁴ 8.53
Broilers (cts./lb.)	21.3	24.5	24.4	29.7	25.2	24.4	23.7	24.7	24.3	25.4
Eggs (cts./doz.) ⁵	53.2	50.9	56.5	46.5	59.8	54.1	53.4	55.5	53.8	55.5
Turkeys (cts./lb.)	29.3	31.2	32.2	34.4	32.1	32.5	31.6	32.0	31.4	31.2
Wool (cts./lb.) ^{3 6}	66.2	41.6	60.1	48.0	53.1	52.8	67.8	69.5	69.0	70.2

¹ January-May average. ² Equivalent on-tree returns. ³ Weighted averages for annual data. ⁴ Preliminary. ⁵ Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. ⁶ Average local market price, excluding incentive payments.

WHOLESALE AND RETAIL PRICES

Wholesale Price Index, U.S. average (not seasonally adjusted)

Commodity group	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
1967=100										
All commodities	151.8	172.1	180.7	175.7	179.3	179.6	181.3	181.8	183.1	184.3
Industrial commodities	144.4	169.2	179.3	171.2	178.0	178.9	180.0	180.4	181.3	182.6
All foods ¹	166.7	183.8	180.8	189.8	179.7	178.2	181.5	182.1	180.1	180.9
Farm products and processed foods and feed	172.2	180.1	183.8	188.2	182.0	180.3	183.7	184.9	187.5	188.1
Farm products	190.1	179.0	192.0	193.7	191.0	187.2	192.9	192.6	196.5	196.9
Fruits and vegetables ²	213.0	180.2	184.4	208.6	192.6	184.5	195.0	179.0	160.8	164.7
Grains	243.3	226.1	215.0	219.3	214.3	217.8	209.0	213.5	225.1	224.3
Livestock	173.2	172.9	183.2	211.3	179.5	170.7	192.3	186.9	185.1	175.9
Poultry, live	152.5	176.2	173.2	219.1	173.1	182.6	165.4	174.3	174.9	184.0
Fibers, plant and animal	222.5	141.4	198.8	152.7	186.5	187.9	187.5	201.5	235.9	269.0
Milk	180.7	168.9	201.5	168.8	207.6	207.6	197.0	194.2	190.2	193.1
Eggs	160.3	153.5	169.7	139.7	177.0	159.2	162.6	171.5	165.8	167.7
Oilseeds	207.8	207.6	181.5	203.8	173.2	172.9	172.2	181.2	219.7	239.3
Processed foods and feeds	160.9	180.7	178.6	184.6	176.4	175.8	178.0	179.9	181.8	182.6
Meats	158.0	173.4	181.8	208.0	180.3	171.7	183.5	182.8	182.0	175.3
Beef and veal	162.5	165.7	162.8	201.0	162.0	150.0	171.5	162.0	157.9	147.3
Pork	150.8	189.3	212.9	231.4	213.5	202.4	203.3	212.6	220.9	218.0
Poultry	153.3	172.0	170.2	208.9	170.1	178.8	163.8	171.8	172.2	181.2
Fish	212.9	207.6	267.6	225.2	256.2	261.3	271.3	279.9	283.7	278.7
Dairy	148.0	149.1	166.9	153.2	163.4	166.7	167.7	167.1	167.0	170.0
Processed fruits and vegetables	142.9	170.7	167.6	169.4	166.7	166.5	167.1	167.9	170.0	169.9
Cereal and bakery products	168.0	179.6	174.0	176.7	175.1	174.5	172.8	173.4	173.7	173.6
Sugar and confectionery	192.6	291.0	203.2	228.4	200.4	207.5	202.5	208.7	197.4	201.3
Beverages	131.0	161.7	168.9	159.4	167.0	167.0	169.3	172.3	172.7	175.7
Vegetable oil and products	198.3	227.2	171.3	203.8	170.9	170.2	168.8	173.4	170.6	173.1
Textile products and apparel	137.2	135.6	146.8	136.8	146.3	146.7	147.4	147.0	148.1	149.0
Apparel	126.4	133.1	137.9	132.4	137.4	137.8	138.6	137.9	139.4	140.2
Hides, leather, and related products	144.5	145.2	163.6	149.3	159.9	162.0	165.4	169.6	167.4	169.8
Footwear	136.8	146.3	154.6	147.3	153.0	153.9	155.3	156.2	157.8	160.1
Lumber and wood products	191.6	173.8	199.0	179.3	196.0	202.3	203.3	202.3	199.8	203.7
Tobacco products	127.0	148.2	160.6	148.7	159.1	159.3	162.1	161.9	161.9	161.9

¹Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from farm product group. ²Fresh and dried.

Consumer Price Index, U.S. average (not seasonally adjusted)

Items	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
1967=100										
Consumer price index, all items	143.4	158.3	168.1	162.3	167.1	167.5	168.2	169.2	170.1	171.1
Consumer price index, less food	139.1	154.3	164.7	157.6	163.4	164.2	165.0	166.0	167.0	167.9
All food	158.2	171.9	179.9	178.6	180.0	178.7	179.2	180.0	180.9	182.1
Food away from home	154.9	171.5	183.3	174.2	181.9	182.8	183.8	184.8	185.6	186.9
Food at home	159.1	172.0	179.1	179.9	179.6	177.7	178.1	178.8	179.7	180.9
Meats ¹	166.3	164.7	181.3	188.5	182.8	179.6	176.6	180.6	181.6	182.9
Beef and veal	171.3	161.0	167.0	186.4	168.3	164.7	160.8	167.1	166.5	166.9
Pork	160.8	173.9	205.0	204.9	208.5	204.3	200.0	201.9	205.0	208.7
Poultry	147.5	152.2	159.3	172.8	159.8	157.7	158.0	155.3	160.7	161.9
Fish	184.9	197.8	221.4	202.9	219.2	219.3	222.3	225.1	226.3	227.9
Eggs	163.8	156.4	165.8	144.6	184.9	160.4	159.4	154.5	152.6	164.1
Dairy products ²	151.5	154.6	168.0	153.4	168.5	167.9	167.9	167.4	167.9	168.0
Fats and oils ³	162.6	208.5	174.6	191.7	177.4	175.0	171.7	170.6	170.4	169.7
Fruits and vegetables	165.3	168.6	175.4	188.8	173.2	173.6	179.0	176.4	176.7	177.3
Fresh	166.2	162.9	168.9	198.4	164.4	165.2	174.7	171.7	173.6	175.0
Processed	164.0	177.2	185.0	174.7	186.4	186.1	185.4	183.3	181.3	180.9
Cereals and bakery products	159.0	187.1	181.0	184.6	181.1	180.6	180.2	180.8	181.3	180.9
Sugar and sweets	163.6	260.5	221.8	228.9	224.0	222.4	221.1	219.5	219.3	217.9
Beverages, nonalcoholic	144.5	176.4	197.6	174.1	191.7	193.0	198.0	203.3	208.7	216.3
Apparel commodities less footwear	132.0	139.1	142.6	139.1	141.4	142.2	142.8	144.2	144.1	143.4
Footwear	135.4	143.6	147.7	143.1	146.1	147.5	149.0	149.6	149.5	149.6
Tobacco products	140.0	153.0	159.5	154.0	159.2	159.5	159.9	160.1	160.2	160.4
Beverages, alcoholic	127.8	141.2	145.5	142.2	144.4	145.2	146.0	146.6	146.8	147.5

¹ Beef, veal, lamb, mutton, pork, and processed meat. ² Includes butter. ³ Excludes butter.

FARM-RETAIL PRICE SPREADS

Farm-retail price spreads ¹ Commodities	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
Market basket:										
Retail cost (1967=100)	159.7	169.4	176.0	178.8	176.9	174.8	174.9	175.2	175.9	176.8
Farm value (1967=100)	177.5	178.0	183.3	199.5	183.5	180.6	184.2	181.9	183.5	182.5
Farm-retail spread (1967=100)	148.4	164.0	171.4	165.7	172.7	171.1	169.0	170.9	171.1	173.2
Farmer's share (%)	43	41	40	43	40	40	41	40	40	40
Beef, choice:										
Retail price ² (cts./lb.)	139.8	138.0	141.8	161.0	142.7	135.1	142.0	141.7	140.8	138.2
Carcass value ³ (cts.)	98.7	100.0	91.4	119.7	90.1	82.8	95.9	92.1	91.0	84.9
Net farm value (cts./2.28 lbs.)	86.9	88.2	80.4	105.8	77.7	71.8	87.4	81.2	80.6	74.2
Farm-retail spread (cts.)	52.9	49.8	61.4	55.2	65.0	63.3	54.6	60.5	60.2	64.0
Carcass-retail spread ⁴ (cts.)	41.1	38.0	50.4	41.3	52.6	52.3	46.1	49.6	49.8	53.3
Farm-carcass spread ⁵ (cts.)	11.8	11.8	11.0	13.9	12.4	11.0	8.5	10.9	10.4	10.7
Farmer's share (%)	62	64	57	66	54	53	62	57	57	54
Pork:										
Retail price ² (cts./lb.)	107.2	118.8	140.0	143.7	141.6	138.7	136.6	138.6	140.4	142.1
Wholesale value ³ (cts.)	74.4	91.2	100.5	113.9	101.5	96.2	98.6	101.4	101.8	97.5
Net farm value (cts./1.97 lbs.)	57.0	74.9	87.5	101.0	87.8	83.9	86.2	88.2	91.7	86.2
Farm-retail spread (cts.)	50.2	43.9	52.5	42.7	53.8	54.8	50.4	50.4	48.7	55.9
Carcass-retail spread ⁴ (cts.)	32.8	27.6	39.5	29.8	40.1	42.5	38.0	37.2	38.6	44.6
Farm-carcass spread ⁵ (cts.)	17.4	16.3	13.0	12.9	13.7	12.3	12.4	13.2	10.1	11.3
Farmer's share (%)	53	63	62	70	62	60	63	64	65	61

See footnotes at end of table.

Farm-retail price spreads¹—Continued

Commodities	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
Milk, fresh:										
Retail price (cts./%gal.)	78.8	78.4	82.4	77.0	82.7	82.8	82.6	82.0	82.2	81.9
Farm value (cts./4.39 lbs. Class I)	41.9	39.9	46.2	40.0	48.4	46.9	44.5	45.5	44.8	43.7
Farm-retail spread (cts.)	36.9	38.5	36.2	37.0	34.3	35.9	38.1	36.5	37.4	38.2
Farmer's share (%)	53	51	56	51	59	57	54	55	55	53
Chicken, frying:										
Retail price (cts./lb.)	55.7	58.9	61.3	68.2	61.4	60.8	60.7	59.4	62.0	62.6
Farm value (cts./1.41 lbs. broilers)	30.6	33.7	34.1	42.6	34.7	35.7	32.6	32.1	34.5	36.9
Farm-retail spread (cts.)	25.1	25.2	27.2	25.6	26.7	25.1	28.1	27.3	27.5	25.7
Farmer's share (%)	55	57	56	62	57	59	54	54	56	59
Eggs, large grade A										
Retail price (cts./doz.)	79.8	76.3	80.8	70.6	90.1	78.2	77.6	75.2	74.4	80.0
Farm value (cts./1.03 doz.)	54.0	49.2	54.2	45.8	63.3	50.6	52.4	50.5	47.9	53.9
Farm-retail spread (cts.)	25.8	27.1	26.6	24.8	26.8	27.6	25.2	24.7	26.5	26.1
Farmer's share (%)	68	64	67	65	70	65	68	67	64	67
Bread, white:										
Retail price (cts./lb.)	33.6	36.8	35.3	35.6	35.2	35.2	35.1	35.3	35.6	35.4
Farm value (cts./0.867 lb. wheat)	5.5	4.4	4.3	4.3	4.5	4.5	4.3	4.2	4.2	4.1
Farm value (cts. for all farm ingredients)	7.6	6.9	6.2	6.5	6.3	6.4	6.1	6.1	6.0	6.0
Farm-retail spread (cts.)	26.0	29.9	29.1	29.1	28.9	28.8	29.0	29.2	29.6	29.4
Farmer's share (%)	23	19	18	18	18	18	17	17	17	17
Lettuce:										
Retail price (cts./head)	39.7	41.4	41.2	37.7	39.2	38.2	40.7	44.9	40.7	41.7
Farm value (cts./1.88 lbs.)	12.2	12.8	14.1	11.9	10.3	18.1	15.4	11.3	11.9	15.8
Farm-retail spread (cts.)	27.5	28.6	27.1	25.8	28.9	20.1	25.3	33.6	28.8	25.9
Farmer's share (%)	31	31	34	32	26	47	38	25	29	38
Potatoes:										
Retail price (cts./10 lbs.)	193.8	112.6	158.8	199.3	156.2	154.1	159.8	166.0	177.1	162.0
Farm value (cts./10.42 lbs.)	70.8	37.6	52.4	65.5	50.0	51.6	54.5	54.8	56.6	50.5
Farm-retail spread (cts.)	123.0	75.0	106.4	133.8	106.2	102.5	105.3	111.2	120.5	111.5
Farmer's share (%)	37	33	33	33	32	33	34	33	32	31
Tomatoes:										
Retail price (cts./lb.)	58.5	60.4	58.5	81.4	54.2	57.4	66.2	60.3	52.6	62.2
Farm value (cts./1.18 lbs.)	22.1	25.0	23.1	34.8	17.4	25.6	27.9	16.3	28.6	23.2
Farm-retail spread (cts.)	36.4	35.4	35.4	46.6	36.8	31.8	38.3	44.0	24.0	39.0
Farmer's share (%)	38	41	39	43	32	45	42	27	54	37
Orange juice, frozen concentrate:										
Retail price (cts./6-oz. can)	25.5	27.9	29.2	28.2	29.2	29.1	29.2	29.2	29.3	29.2
Farm value (cts./3.08 lbs.)	9.2	8.4	10.4	8.8	9.7	10.3	10.9	11.0	11.3	11.0
Farm-retail spread (cts.)	16.3	19.5	18.8	19.4	19.5	18.8	18.3	18.2	18.0	18.2
Farmer's share (%)	36	30	36	31	33	35	37	38	39	38
Margarine:										
Retail price (cts./lb.)	51.2	67.2	53.1	59.2	54.3	53.5	51.7	51.6	51.1	51.1
Farm value (cts. for veg. oil and NFDM)	23.1	22.9	14.4	22.2	14.3	14.5	14.6	13.4	15.1	19.1
Farm-retail spread (cts.)	28.1	44.3	38.7	37.0	40.0	39.0	37.1	38.2	36.0	32.0
Farmer's share (%)	45	34	27	38	26	27	28	26	30	37

¹ For a market basket of U.S. farm foods representing the average quantities purchased annually per household in 1960-61 and selected items. Retail prices are from Bureau of Labor Statistics unless otherwise noted. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling,

processing, transporting, and distributing these foods. Data are preliminary. ² Composite monthly average prices of all cuts adjusted for volume sold at special prices-derived from BLS and food chain prices. ³ For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (yield grade 3); pork, 1.07 lb. of wholesale cuts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing, and transportation to city where consumed. ⁶ Preliminary.

Market basket of farm foods¹

Product group	January-June			1975			1976 ²	
	1974	1975	1976	II	III	IV	I	II
	Dollars							
Retail cost								
Meat	537.72	535.93	595.44	551.66	625.54	633.28	601.86	589.01
Dairy	297.40	299.41	328.46	297.72	297.11	314.70	328.58	328.33
Poultry	68.82	70.72	74.34	70.65	81.25	79.00	74.92	73.76
Eggs	58.24	54.89	58.56	51.46	53.32	57.82	62.11	55.00
Bakery and cereal	267.48	310.04	300.02	308.98	298.42	298.68	300.10	299.95
Fresh fruits	71.13	73.74	70.09	77.63	83.04	68.77	66.90	73.29
Fresh vegetables	127.27	108.96	123.38	110.65	124.39	113.97	121.14	125.61
Proc. fruits and veg.	156.17	187.55	189.74	187.70	185.97	188.54	190.46	189.03
Fats and oils	68.29	86.53	70.11	83.13	76.74	75.75	71.79	68.43
Miscellaneous	72.90	103.37	92.15	98.23	93.44	92.31	91.99	92.31
Total	1,725.42	1,831.14	1,902.29	1,837.81	1,919.22	1,922.82	1,909.85	1,894.72
Farm value								
Meat	299.52	316.04	333.68	347.52	391.79	366.17	327.69	339.67
Dairy	151.39	141.68	169.43	141.76	149.01	165.62	171.78	167.08
Poultry	37.39	40.41	41.31	41.48	49.29	46.74	42.44	40.18
Eggs	39.44	35.44	39.33	32.08	35.91	39.05	42.15	36.50
Bakery and cereal:								
All ingredients	67.28	58.90	50.11	53.48	56.79	51.82	50.57	49.66
Grain	50.38	39.52	36.57	37.04	40.34	37.82	37.00	36.13
Fresh fruits	21.49	23.12	18.82	25.84	24.07	19.46	17.63	20.00
Fresh vegetables	43.58	38.26	41.52	39.74	43.91	39.53	42.28	40.77
Proc. fruits and veg.	34.88	39.97	39.14	39.54	40.66	40.17	39.18	39.10
Fats and oils	29.94	29.63	19.73	26.34	28.45	21.82	19.80	19.67
Miscellaneous	18.87	22.29	15.16	18.41	18.18	15.79	15.25	15.06
Total	743.78	745.74	768.23	766.19	838.06	806.17	768.77	767.69
Farm-retail spread								
Meat	238.20	219.89	261.26	204.14	233.75	267.11	274.17	249.34
Dairy	146.01	157.73	159.03	155.96	148.10	149.08	156.80	161.25
Poultry	31.43	30.31	33.03	29.17	31.96	32.26	32.48	33.58
Eggs	18.80	19.45	19.23	19.38	17.41	18.77	19.96	18.50
Bakery and cereal	200.20	251.14	249.91	255.50	241.79	246.86	249.53	250.29
Fresh fruits	49.64	50.62	51.27	51.79	58.97	49.31	49.27	53.29
Fresh vegetables	83.69	70.70	81.86	70.91	80.47	74.44	78.86	84.84
Proc. fruits and veg.	121.29	147.58	150.60	148.16	145.31	148.37	151.28	149.93
Fats and oils	38.35	56.90	50.38	56.79	48.29	53.93	51.99	48.76
Miscellaneous	54.03	81.08	76.99	79.82	75.26	76.52	76.74	77.25
Total	981.64	1,085.40	1,134.06	1,071.62	1,081.16	1,116.65	1,141.08	1,127.03
	Percent							
Farmer's share								
Meat	56	59	56	63	63	58	54	58
Dairy	51	47	52	48	50	53	52	51
Poultry	54	57	56	59	61	59	57	54
Eggs	68	65	67	62	67	68	68	66
Bakery and cereal:								
All ingredients	25	19	17	17	19	17	17	17
Grain	19	13	12	12	14	13	12	12
Fresh fruits	30	31	27	33	29	28	26	27
Fresh vegetables	34	35	34	36	35	35	35	32
Proc. fruits and veg.	22	21	21	21	22	21	21	21
Fats and oils	44	34	28	32	37	29	28	29
Miscellaneous	26	22	16	19	19	17	17	16
Average	43	41	40	42	44	42	40	41

¹ Annual rate. See footnote 1 on monthly farm-retail price spread table (page 23) for description of data. ² Preliminary.

LIVESTOCK AND PRODUCTS: PRICES, SUPPLIES AND USE

Dairy:

Items	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
Milk production:										
Total milk (mil. lb.)	59,686	59,555	61,542	9,967	9,248	10,250	10,450	11,184	10,865	10,448
Milk per cow (lb.)	531	533	556	894	835	926	944	1,011	982	946
Number of milk cows (thou.)	11,235	11,182	11,070	11,148	11,072	11,072	11,072	11,061	11,061	11,050
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	7.56	6.93	8.47	7.35	8.25	8.60	8.44	8.30	8.32	8.71
Price of 16% dairy ration (\$/ton)	129	135	137	130	136	136	135	137	143	145
Milk-feed price ratio (lb.) ²	1.48	1.30	1.60	1.34	1.66	1.64	1.60	1.51	1.42	1.40
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	5,207	5,886	3,844	6,859	3,751	3,957	4,306	4,850	5,846	6,592
Commercial (mil. lb.)	4,732	5,576	3,719	5,528	3,659	3,889	4,225	4,766	5,751	6,489
Government (mil. lb.)	476	310	124	1,331	92	68	81	84	94	103
Imports, total milk equiv. (mil. lb.) ³	1,861	580	794	116	126	139	111	118	142	—
USDA net removals:										
Total milk equiv. (mil. lb.) ³	588	2,341	84	100.6	5.8	4.7	20.4	14.7	33.0	63.5
Butter:										
Production (mil. lb.)	519.0	579.6	534.7	69.4	85.4	89.3	87.6	94.0	84.0	—
Stocks, beginning (mil. lb.)	46.4	49.2	10.9	99.6	9.3	16.5	31.2	44.5	69.1	80.9
Wholesale price, Grade A										
Chicago (cts./lb.)	65.0	68.4	87.9	76.6	80.9	86.0	89.5	89.9	95.0	105.8
USDA net removals (mil. lb.)	24.5	81.8	.4	2.3	0	0	.4	0	0	0
Commercial disappearance (mil. lb.)	429.9	494.0	464.5	72.9	77.2	75.3	74.2	70.0	71.5	—
American cheese:										
Production (mil. lb.)	1,057.2	885.8	1,063.3	150.1	149.7	165.8	187.2	204.1	207.3	—
Stocks, beginning (mil. lb.)	290.3	420.9	307.8	413.7	303.4	305.9	312.7	333.8	375.7	417.3
Wholesale price, Wisconsin assembly										
pt. (cts./lb.)	84.9	78.5	95.4	84.8	90.0	94.4	96.9	94.9	95.5	100.1
USDA net removals (mil. lb.)	3.7	63.2	4.7	4.8	0	0	.5	1.1	3.1	6.2
Commercial disappearance (mil. lb.)	957.9	840.5	949.5	142.0	147.8	159.0	165.3	161.0	163.0	—
Other cheese:										
Production (mil. lb.)	536.3	563.6	632.6	99.1	91.5	109.1	109.8	109.5	112.8	—
Stocks, beginning (mil. lb.)	67.5	73.1	60.8	64.8	59.2	60.0	58.5	59.3	60.0	63.3
Commercial disappearance (mil. lb.)	616.1	630.3	700.3	113.1	100.6	120.6	121.0	120.3	125.4	—
Nonfat dry milk:										
Production (mil. lb.)	543.9	620.3	517.8	92.7	71.1	78.4	87.6	104.9	108.9	—
Stocks, beginning (mil. lb.)	74.6	293.2	468.9	441.3	453.6	460.3	475.6	442.0	463.6	479.5
Wholesale price, avg. manf. (cts./lb.)	60.1	60.4	63.7	60.7	64.3	63.5	63.1	62.8	62.8	—
USDA net removals (mil. lb.)	49.8	369.4	63.2	37.8	6.6	5.9	5.6	16.0	22.5	27.6
Commercial disappearance (mil. lb.)	489.2	274.9	382.7	74.7	58.4	66.8	63.8	66.0	63.3	—
Frozen dessert production (mil. gal.) ⁴	552.6	580.9	572.4	128.6	77.4	102.0	99.9	100.6	118.1	—

¹ Manufacturing grade milk. ² Pounds of ration equal in value to 1 lb. of milk. ³ Milk equivalent, fat-solids basis. ⁴ Ice cream, ice milk, and sherbet.

Meat animals:

Items	January-June			1975		1976				
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	9,353	6,369	8,533	6,006	8,353	8,117	7,525	7,519	7,254	7,074
Placed on feed (thou. head) ²	7,851	7,780	8,496	1,141	1,399	1,397	1,617	1,324	1,387	1,148
Marketings (thou. head)	9,195	7,614	9,284	1,164	1,517	1,857	1,502	1,489	1,457	1,500
Other disappearance (thou. head)	863	529	671	51	118	132	121	100	110	56
Beef steer-corn price ratio, Omaha (bu.) ³	15.9	14.7	15.0	17.2	14.9	13.8	16.6	14.8	14.2	13.4
Hog-corn price ratio, Omaha (bu.) ³	12.2	14.9	18.1	19.4	18.6	17.7	18.3	17.7	17.6	16.9
Commercial slaughter (thou. head)										
Cattle	17,331	19,283	21,080	3,401	3,336	3,813	3,354	3,238	3,576	—
Steers	9,880	9,423	9,365	1,469	1,438	1,762	1,506	1,496	1,670	—
Heifers	4,027	4,736	6,143	816	988	1,174	999	923	987	—
Cows	3,080	4,643	5,078	1,007	837	797	765	738	826	—
Bulls and stags	344	481	494	109	73	80	84	81	93	—
Calves	1,199	2,205	2,566	468	408	496	419	367	410	—
Sheep and lambs	4,302	3,870	3,277	658	528	587	590	448	524	—
Hogs	41,163	36,567	34,251	4,956	5,122	6,612	6,087	5,331	5,400	—
Commercial production (mil. lb.)										
Beef	11,072	11,435	12,634	1,916	1,966	2,318	2,017	1,966	2,161	—
Veal	167	348	384	77	62	71	59	56	63	—
Lamb and mutton	228	198	176	32	29	33	32	23	27	—
Pork	6,909	5,967	5,677	817	850	1,092	1,003	879	899	—
Market prices					Dol. per 100 pounds					
Slaughter cattle:										
Choice steers, Omaha	42.73	41.88	40.06	50.21	38.80	36.14	43.12	40.62	40.52	37.92
Utility cows, Omaha	30.07	20.50	27.51	22.00	25.90	27.45	30.72	30.24	27.47	25.80
Choice vealers, S. St Paul	58.77	40.43	47.42	39.01	50.05	50.58	49.49	44.95	37.60	34.51
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	43.79	31.03	41.54	34.70	40.42	39.69	44.62	44.21	42.83	39.18
Slaughter hogs:										
Barrows and Gilts, No. 1&2, Omaha ⁴	34.82	43.60	49.62	58.00	49.68	47.23	48.86	49.78	51.91	48.96
Barrows and Gilts, 7-markets	33.20	42.73	48.59	57.17	48.85	46.71	47.89	48.89	50.80	48.26
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	28.67	39.55	47.01	44.10	50.16	48.80	51.28	44.57	38.85	30.45
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	42.71	43.96	55.06	45.25	49.00	56.25	62.95	62.12	50.81	47.81
Ewes, Good, San Angelo	18.64	16.02	18.08	17.00	16.12	18.90	18.44	19.75	17.56	19.44
Feeder lambs:										
Choice, San Angelo	39.86	39.88	54.20	40.25	49.69	56.30	62.71	59.56	48.56	49.38
Wholesale meat prices, Midwest⁵										
Choice steer beef, 600-700 lb.	68.85	69.30	62.96	82.82	62.22	56.97	65.85	63.56	62.45	58.20
Canner and Cutter cow beef	62.38	42.60	55.55	45.48	53.25	56.44	60.48	59.12	54.88	53.48
Pork loins, 8-14 lb.	71.27	83.96	93.09	105.79	95.36	85.25	87.60	94.67	97.88	74.10
Pork bellies, 12-14 lb.	46.25	68.20	72.62	92.35	67.37	67.48	73.62	73.04	79.16	74.10
Hams, skinned, 14-17 lb.	59.95	72.17	83.07	84.75	80.68	85.48	84.19	82.86	81.76	77.32
	First Half			1975				1976		
Cattle on feed (23-States):				I	II	III	IV	I	II	III
Number on feed (thou. head) ¹	13,067	9,619	12,296	9,619	8,473	8,542	9,301	12,296	10,892	10,036
Placed on feed (thou. head) ²	10,554	10,308	11,058	4,758	5,550	6,025	8,317	5,459	5,599	—
Marketings (thou. head)	12,270	10,540	11,920	5,512	5,028	5,014	4,940	6,350	5,937	⁷ 5,983
Other disappearance (thou. head)	1,304	845	1,031	392	453	252	382	513	518	—
Hogs and pigs (14-States):⁶										
Inventory (thou. head) ¹	52,825	47,170	41,855	47,170	40,330	40,955	41,535	41,855	40,865	44,918
Breeding (thou. head) ¹	7,445	6,283	6,368	6,283	6,080	6,191	6,011	6,368	6,706	6,916
Market (thou. head) ¹	45,380	40,887	35,487	40,887	34,250	34,764	35,524	35,487	34,159	38,002
Farrowings (thou. head)	5,591	5,503	4,206	1,778	2,428	2,088	2,103	2,047	2,815	⁷ 2,415
Pig crop (thou. head)	39,834	38,703	30,009	12,540	17,469	15,020	15,182	14,552	20,743	—

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. ⁵ Prior to Oct. 1975, Chicago;

annual 1975 midwest markets. ⁶ Annual is Dec. preceding year to Nov. listed, quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). ⁷ Intentions.

Poultry and eggs:

Items	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
Eggs										
Farm production (mil.)	33,472	32,031	32,319	5,387	5,191	5,561	5,333	5,452	5,264	5,393
Average number of layers on farms (mil.)	290	278	275	270	280	277	273	270	269	268
Rate of lay (eggs per layer)	115.3	115.4	117.7	20.0	18.6	20.0	19.6	20.2	19.6	20.1
Wholesale price, New York, grade A large (cts./doz.)	56.7	54.5	59.7	52.6	60.6	56.8	55.4	58.4	58.8	63.1
Price of laying feed (\$/ton)	146	148	146	145	143	145	144	146	156	162
Egg-feed price ratio (lb.) ¹	7.3	6.9	7.8	6.4	8.4	7.5	7.4	7.6	6.9	6.9
Stocks, beginning of period:										
Shell (thou. cases)	34	36	22	82	13	21	26	26	22	25
Frozen (mil. lb.)	43.2	54.2	36.3	47.8	31.7	28.7	29.3	29.4	29.1	30.3
Replacement chicks hatched (mil.)	269.0	253.0	264.2	38.1	39.2	49.1	50.8	47.6	41.9	38.0
Broilers										
Federally inspected slaughter, certified (mil. lb.)	4,060.8	3,894.5	4,430.2	714.2	632.3	771.9	742.5	745.4	825.9	—
Wholesale price, 9-city, (cts./lb.)	37.3	42.5	41.9	51.2	42.7	41.9	41.0	42.1	42.1	43.2
Price of broiler grower feed (\$/ton)	160	165	162	161	160	160	159	161	172	181
Broiler-feed price ratio (lb.) ¹	2.6	3.0	3.0	3.7	3.2	3.0	3.0	3.1	2.8	2.8
Stocks, beginning of period (mil. lb.)	33.4	37.2	22.3	22.6	20.2	19.4	18.9	19.0	17.4	20.0
Average weekly placements of broiler chicks, 21 States (mil.)	61.8	58.8	65.6	58.3	61.5	66.3	68.3	67.8	68.4	64.8
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	569.2	455.4	575.2	193.2	61.7	68.6	79.9	106.5	182.2	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	45.0	49.8	48.8	56.0	49.7	51.7	48.2	48.9	47.6	49.5
Price of turkey grower feed (\$/ton)	164	167	167	163	165	165	162	165	178	187
Turkey-feed price ratio (lb.) ¹	3.6	3.7	3.9	4.2	3.9	3.9	3.9	3.9	3.5	3.3
Stocks, beginning of period (mil. lb.)										
	281.0	275.0	195.2	193.2	187.1	159.9	140.0	114.5	120.5	177.8
Poults hatched (mil.)	102.1	92.1	102.2	14.3	13.7	18.5	19.7	20.2	19.6	15.4

¹ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Wool:

	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
U.S. wool price, Boston ^{1 2} (cts./lb.)	199	130	177	154	178	174	176	178	178	183
Imported wool price, Boston ^{3 4} (cts./lb.)	242	180	181	176	175	(⁵)	(⁵)	185	186	186
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	40,716	42,451	57,660	5,530	8,742	11,996	9,066	8,756	10,171	—
Carpet wool (thou. lb.)	11,310	7,699	7,049	1,176	1,163	1,357	900	1,024	1,405	—

¹ Clean basis; territory fine good French combing and staple.

² Beginning January 1976, U.S. wool price delivered at U.S. mills, clean basis, 64's (20.60-22.04 Microns) Staple 2½" and up. ³ Clean

basis; Australian 64's combing, excl. duty. ⁴ Beginning January 1976, wool price delivered at U.S. mills, clean basis, Australian 64's Type 78. ⁵ No quotes due to strike.

CROPS AND PRODUCTS: PRICES, SUPPLIES AND USE

Supply and utilization of major crops¹

Commodity	Domestic measure ²				Metric measure ²			
	1973/74	1974/75	1975/76 Preliminary	1976/77 Projected	1973/74	1974/75	1975/76 Preliminary	1976/77 Projected
Wheat:								
Mil. acres				Mil. hectares				
Area								
Set aside	7.4	—	—	—	3.0	—	—	—
Planted	59.0	71.4	75.1	80.2	23.9	28.9	30.4	32.5
Harvested	53.9	65.6	69.7	70.2	21.8	26.5	28.2	28.4
Bu. per acre				Metric tons per hectare				
Yield per harvested unit	31.7	27.4	30.6	29.8	2.13	1.84	2.06	2.00
Mil. bu.				Mil. metric tons				
Beginning stocks	599	339	430	665	16.3	9.2	11.7	18.1
Production	1,705	1,796	2,134	2,096	46.4	48.9	58.1	57.0
Imports	1	3	2	2	(⁶)	.2	.1	.1
Supply, total	2,307	2,138	2,566	2,763	62.8	58.2	69.8	75.2
Domestic	751	690	728	810 ±35	20.4	18.8	19.8	22.0 ±1.0
Exports	1,217	1,018	1,173	1,050 ±100	33.1	27.7	32.0	28.6 ±2.7
Use, total	1,968	1,708	1,901	1,860 ±90	53.6	46.5	51.7	50.6 ±2.4
Ending stocks	339	430	665	903 ±125	9.2	11.7	18.1	24.6 ±3.4
Dol. per bu.				Dol. per metric ton				
Price received by farmers	3.95	4.09	3.52	³ 3.42	145.14	150.28	129.34	³ 125.66
Price, Kansas City, No. 1 HRW	4.51	4.20	3.74	³ 3.75	165.71	154.32	137.42	³ 137.79
Rice:								
Mil. acres				Mil. hectares				
Area								
Allotment	2.22	2.10	1.80	1.80	.90	.85	.73	.73
Planted	2.18	2.56	2.82	2.45	.88	1.05	1.14	.99
Harvested	2.17	2.54	2.80	2.43	.88	1.04	1.13	.98
Lb. per acre				Metric tons per hectare				
Yield per harvested unit	4,274	4,432	4,555	4,528	4.79	4.97	5.11	5.08
Mil. cwt.				Mil. metric tons				
Beginning stocks	5.1	7.8	7.1	37.7	.23	.35	.32	1.71
Production	92.8	112.4	127.6	110.2	4.21	5.10	5.79	5.00
Imports . . . . .	.2	—	—	—	.01	—	—	—
Supply, total	98.1	120.2	134.7	147.9	4.45	5.45	6.11	6.71
Domestic	37.0	41.0	42.4	44.8 ±1.0	1.68	1.86	1.92	2.03 ±.05
Exports	49.7	69.5	54.6	61.5 ±5.0	2.25	3.16	2.48	2.79 ±.23
Use, total	86.7	110.5	97.0	106.3 ±5.0	3.93	5.01	4.40	4.82 ±.23
Ending stocks	7.8	7.1	37.7	41.6 ±7.0	.35	.32	1.71	1.89 ±.32
Difference unaccounted	+3.6	+2.7	—	—	.17	.12	—	—
Dol. per cwt.				Dol. per metric ton				
Price received by farmers	13.80	11.20	7.93	—	304.24	246.92	174.83	—
Price, long-grain milled, S.W. La.	30.40	21.50	17.20	—	670.65	473.99	379.19	—

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

Commodity	Domestic measure ²				Metric measures ²			
	1973/74	1974/75	1975/76 Preliminary	1976/77 Projected	1973/74	1974/75	1975/76 Preliminary	1976/77 Projected
Feed grains:⁵								
Mil. acres				Mil. hectares				
Area								
Set aside	9.4	—	—	—	3.8	—	—	—
Planted	121.4	122.4	123.1	129.3	49.1	49.5	49.8	52.3
Harvested	102.3	100.6	104.8	108.1	41.4	40.7	42.4	43.7
Short tons per acre				Metric tons per hectare				
Yield per harvested unit	2.00	1.64	1.93	1.96	4.49	3.69	4.33	4.41
Mil. short tons				Mil. metric tons				
Beginning stocks	33.9	23.7	16.8	16.8	30.8	21.5	15.3	15.4
Production	205.0	165.3	202.4	212.3	186.0	150.0	183.6	192.6
Imports .....	.2	.6	.5	.3	.2	.5	.5	.3
Supply, total	239.1	189.6	219.7	229.4	216.9	172.0	199.4	208.3
Feed	153.3	115.7	130.1	137.5	±7	139.1	104.9	118.0
Food, seed, and industrial uses	17.6	17.7	18.1	18.8	16.0	16.1	16.4	17.0
Domestic, total	170.9	133.4	148.2	156.3	±7	155.0	121.0	134.4
Exports	44.5	39.4	54.7	49.8	±5	40.4	35.7	49.6
Use, total	215.4	172.8	202.9	206.1	±10	195.4	156.7	184.0
Ending stocks	23.7	16.8	16.8	23.3	±10	21.5	15.3	15.4
Corn:								
Mil. acres				Mil. hectares				
Area								
Set aside	6.0	—	—	—	2.4	—	—	—
Planted	71.9	77.8	77.9	84.1	29.1	31.5	31.5	34.0
Harvested	61.9	65.4	66.9	72.2	25.0	26.5	27.1	29.2
Bu. per acre				Metric tons per hectare				
Yield per harvested unit	91.2	71.4	86.2	85.7	5.73	4.47	5.41	5.38
Mil. bu.				Mil. metric tons				
Beginning stocks	709	483	359	313	18.0	12.3	9.2	8.1
Production	5,647	4,664	5,767	6,187	143.4	118.5	146.5	157.1
Imports	1	2	2	1	(⁶)	.1	.1	(⁶)
Supply, total	6,357	5,149	6,128	6,501	161.4	130.9	155.8	165.2
Feed	4,193	3,191	3,650	3,900	±200	106.4	81.1	92.7
Food, seed, and industrial uses	438	450	465	485	11.1	11.4	11.8	12.3
Domestic, total	4,631	3,641	4,115	4,385	±200	117.5	92.5	104.5
Exports	1,243	1,149	1,700	1,550	±150	31.6	29.2	43.2
Use, total	5,874	4,790	5,815	5,935	±300	149.1	121.7	147.7
Ending stocks	483	359	313	566	±300	12.3	9.2	8.1
Dol. per bu.				Dol. per metric ton				
Price received by farmers	2.55	3.03	⁴ 2.55	—	100.39	119.28	⁴ 100.39	—
Price, Chi., No. 2 yellow	2.95	3.12	³ 2.74	—	116.14	122.83	³ 107.87	—

See footnotes at end of table.

Supply and utilization of major crops¹ —Continued

	Domestic Measure ²					Metric Measure ²			
Commodity	1973/74	1974/75	1975/76 Preliminary	1976/77 Projected		1973/74	1974/75	1975/76 Preliminary	1976/77 Projected
Cotton: ⁷									
Area									
Set aside	—	—	—	—		—	—	—	—
Planted	12.5	13.7	9.5	11.8		5.1	5.5	3.8	4.8
Harvested	12.0	12.6	8.8	11.0		4.8	5.1	3.6	4.5
Yield per harvested unit ⁸									

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

Commodity	Domestic measure ²				Metric measure ²			
	1973/74	1974/75	1975/76 Preliminary	1976/77 Projected	1973/74	1974/75	1975/76 Preliminary	1976/77 Projected
Soybean oil:	Mil. lb.				Thou. metric tons			
Beginning stocks	516	794	561	1,400	234	360	254	635
Production	8,995	7,376	9,539	8,560 ±325	4,080	3,346	4,327	3,883 ±147
Supply, total	9,511	8,170	10,100	9,960 ±325	4,314	3,706	4,581	4,518 ±147
Domestic	7,282	6,581	7,800	7,650 ±200	3,303	2,985	3,538	3,470 ±91
Exports	1,435	1,028	900	1,000 ±200	651	466	408	499 ±91
Use, total	8,717	7,609	8,700	8,750 ±400	3,954	3,451	3,946	3,969 ±181
Ending stocks	794	561	1,400	1,210 ±400	360	254	635	549 ±181
	Cts. per lb.				Cts. per kilogram			
Price, crude, Decatur	31.5	30.7	³ 17.7	—	69.4	67.7	³ 39.0	—
Soybean meal:	Thou. short tons				Thou. metric tons			
Beginning stocks	183	507	358	410	166	460	325	372
Production	19,674	16,702	20,652	19,000 ±750	17,848	15,152	18,735	17,237 ±680
Supply, total	19,857	17,209	21,010	19,410 ±750	18,014	15,612	19,060	17,608 ±680
Domestic	13,802	12,552	15,500	14,400 ±700	12,521	11,387	14,061	13,063 ±635
Exports	5,548	4,299	5,100	4,650 ±300	5,033	3,900	4,627	4,218 ±272
Use, total	19,350	16,851	20,600	19,050 ±1,000	17,554	15,287	18,688	17,282 ±907
Ending stocks	507	358	410	360 ±150	460	325	372	327 ±136
	Dol. per short ton				Dol. per metric ton			
Price, bulk, Decatur, 44%	146.35	130.86	³ 142.08	—	161.32	144.25	³ 156.62	—

¹Marketing years beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. ²Conversions between measures may not exactly convert or add due to rounding. Conversion factors: Hectare (ha.) = 2.471 acres; and 1 metric ton = 2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 68.8944 bushels of oats,

22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ³Average for beginning of marketing year through July 1976. ⁴Season average estimate. ⁵Corn, sorghum, oats, and barley. ⁶Less than 0.05. ⁷Upland and extra long staple. ⁸Based on Census Bureau data. ⁹Includes imports. ¹⁰Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution.

Feed grains:

	Marketing year ¹			1975	1976					
	1972/73	1973/74	1974/75	July	Feb	Mar	Apr	May	June	July
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	1.91	2.95	3.12	2.95	2.70	2.68	2.68	2.84	2.96	2.95
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	3.24	4.64	5.01	4.82	4.47	4.62	4.47	4.49	4.66	4.73
Barley, feed, Minneapolis (\$/bu.) ²	1.17	2.03	2.58	2.04	2.26	2.38	2.39	2.50	2.52	2.45
Barley, malting, Minneapolis (\$/bu.) ²	1.43	2.67	4.16	3.83	3.21	3.22	3.17	3.22	3.55	3.59
Exports:										
Corn (mil. bu.)	1,258	1,243	1,149	70	137	130	165	154	161	⁴ 141
Feed grains (mil. short tons) ³	43.1	44.5	39.4	2.6	4.4	4.2	5.2	4.6	4.6	⁴ 4.5

	Marketing year ¹			1975				1976		
	1972/73	1973/74	1974/75	Jan-Mar [*]	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Corn:										
Stocks, beginning (mil. bu.)	1,126	709	483	3,621	2,214	1,492	359	4,431	2,812	1,857
Domestic use:										
Feed (mil. bu.)	4,304	4,183	3,191	916	458	668	1,130	1,099	551	—
Food, seed, ind. (mil. bu.)	429	448	450	111	86	147	112	115	85	—
Feed grains:³										
Stocks, beginning (mil. short tons)	50.0	33.9	23.7	125.6	76.3	51.2	29.3	152.0	95.3	62.7
Domestic use:										
Feed (mil. short tons)	156.4	153.3	115.6	32.5	15.7	24.7	41.2	39.1	19.0	—
Food, seed, ind. (mil. short tons)	17.0	17.6	17.7	4.3	3.9	5.6	4.1	4.3	3.9	—

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better. ³ Aggregated data for corn, sorghum, oats and barley. Note change in oats and barley marketing year to June-May. ⁴ Based on inspections for export.

Food grains:

	Marketing year ¹			1975	1976					
	1973/74	1974/75	1975/76	July	Feb	Mar	Apr	May	June	July
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	4.51	4.20	3.74	3.61	3.81	3.81	3.61	3.57	3.75	3.63
Wheat, DNS, Minneapolis (\$/bu.) ²	4.42	4.57	3.74	3.93	3.66	3.62	3.47	3.56	3.82	3.63
Flour, Kansas City (\$/cwt.)	10.30	10.19	9.25	8.94	9.35	9.56	9.06	8.71	8.84	—
Flour, Minneapolis (\$/cwt.)	10.60	11.40	10.41	10.21	10.21	10.71	10.25	10.08	10.35	10.29
Rice, S.W. La. (\$/cwt.) ³	30.40	21.50	17.20	21.50	16.50	15.50	15.30	16.60	16.50	16.25
Wheat:										
Exports (mil. bu.)	1,217	1,018	1,173	104	74	79	81	73	73	—
Mill grind (mil. bu.)	551	538	574	47	45	49	47	49	52	—
Wheat flour production (mil. cwt.)	247	239	255	21	20	22	21	21	21	—
	Marketing year ¹			1975				1976		
	1973/74	1974/75	1975/76	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Wheat:										
Stocks, beginning (mil. bu.)	599	339	430	1,108	662	430	1,891	1,384	936	665
Domestic use:										
Food (mil. bu.)	530	521	559	123	89	186	144	140	89	—
Feed and seed (mil. bu.) ⁴	221	169	169	68	7	59	21	61	28	—
Exports (mil. bu.)	1,217	1,018	1,175	255	150	429	343	247	154	—

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual. Note change in wheat marketing year to June-May.

Fats and oils:

	Marketing year ¹			1975	1976					
	1972/73	1973/74	1974/75	July	Feb	Mar	Apr	May	June	July
Soybeans:										
Wholesale price, No. 1										
yellow, Chicago (\$/bu.) . .	6.27	6.12	6.33	5.58	4.74	4.66	4.71	5.21	6.25	6.64
Crushings (mil. bu.)	721.8	821.3	701.3	59.2	69.3	77.9	77.2	79.6	73.5	—
Processing margin										
(\$/bu.) ² . . . . .	.59	.72	.14	.25	.10	.10	.06	.11	.17	—
Exports (mil. bu.)	479.4	539.1	420.7	31.0	52.2	52.3	50.5	49.5	47.2	—
Soybean oil:										
Wholesale price, crude,										
Decatur (cts./lb.)	16.5	31.5	30.7	27.5	16.3	16.6	16.3	15.8	17.6	20.9
Production (mil. lb.)	7,501.0	8,994.7	7,376.2	623.9	757.6	852.4	846.1	869.8	809.5	—
Domestic disappearance										
(mil. lb.)	6,685.0	7,255.4	6,518.5	544.4	562.2	723.1	666.2	657.1	551.4	—
Exports (mil. lb.)	1,065.6	1,435.2	1,028.3	65.3	120.2	89.8	55.6	161.2	74.6	—
Stocks, beginning (mil. lb.)	785.0	515.5	793.5	530.6	844.8	913.2	946.1	1,060.9	1,108.6	1,288.1
Soybean meal:										
Wholesale price, 44%										
protein, Decatur (\$/ton) . .	229.00	146.35	130.86	124.00	132.60	127.90	127.10	152.25	187.90	193.90
Production (thou. ton)	16,708.8	19,674.4	16,701.5	1,407.6	1,616.5	1,820.0	1,830.2	1,890.8	1,745.7	—
Domestic disappearance										
(thou. ton)	11,920.5	13,766.3	12,501.3	1,164.3	1,182.6	1,383.2	1,173.0	1,403.7	1,351.1	—
Exports (thou. ton)	4,744.8	5,547.6	4,298.8	265.3	392.5	498.0	644.4	380.1	474.8	—
Stocks, beginning										
(thou. ton)	191.7	183.2	507.3	421.7	378.1	419.5	358.3	358.8	462.8	375.5
Margarine, wholesale price,										
Chicago (cts./lb.)	30.2	44.3	37.9	39.2	31.0	31.0	31.0	30.8	30.0	31.8

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1973, 1974 and 1975 for margarine. ² Spot basis, Illinois shipping points.

Fruit:

	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
Wholesale price indexes:										
Fresh fruit (1967=100)	137.4	164.1	154.5	163.0	158.8	150.9	160.1	152.7	149.9	158.7
Dried fruit (1967=100)	255.6	216.1	209.6	210.4	207.8	209.4	210.3	210.3	211.9	214.9
Canned fruit and juice (1967=100)	148.1	175.1	170.3	174.0	169.2	169.2	169.3	171.2	173.5	174.9
Frozen fruit and juice (1967=100)	141.4	155.1	160.9	154.9	159.4	159.4	161.9	161.9	161.9	152.3
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	n.a.	6.69	7.22	6.92	6.07	n.a.	n.a.
Pears, Yakima Valley (\$/box) ²	n.a.	n.a.	n.a.	n.a.	7.73	8.27	8.50	n.a.	n.a.	n.a.
Oranges, U.S. avg. (\$/box)	6.62	6.45	6.27	7.06	6.10	6.16	6.06	5.93	6.43	7.00
Grapefruit, U.S. avg. (\$/box)	5.26	6.36	5.73	7.75	5.54	5.57	5.46	6.00	6.26	6.38
Stocks, beginning:										
Fresh apples (mil. lb.)	2,074.2	2,214.1	2,569.3	51.5	2,086.2	1,569.3	1,111.7	778.7	433.3	192.0
Fresh pears (mil. lb.)	128.6	170.5	162.2	.1	124.0	91.6	62.5	35.7	10.9	.3
Frozen fruit (mil. lb.)	516.3	607.3	558.3	440.1	510.7	450.4	388.4	338.4	331.9	368.5
Frozen fruit juices (mil. lb.)	853.4	883.0	970.5	1,545.9	1,164.3	1,281.2	1,293.2	1,352.8	1,469.4	1,584.2

¹ Red Delicious, regular storage, Washington extra fancy, carton tray pack, 80-125's. ² D'Anjou pears, regular storage, Washington wrapped, U.S. No. 1, 90-135's. n.a. not available.

Cotton:

	Marketing year ¹			1975	1976					
	1973/74	1974/75	1975/76	July	Feb	Mar	Apr	May	June	July
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	67.1	41.7	58.0	45.6	57.0	55.5	57.2	62.1	72.7	78.7
Northern Europe prices:										
Index (cts./lb.) ³	76.3	52.5	65.3	54.2	65.9	66.2	66.5	70.4	79.8	88.3
U.S., SM 1-1/16 in. (cts./lb.) ⁴	78.3	56.4	71.4	60.8	71.4	70.3	70.3	75.4	83.2	87.5
U.S. mill consumption (thou. bales)	7,448.4	5,833.7	—	548.9	579.0	738.3	559.5	570.8	709.6	—
Exports (thou. bales)	6,123.0	3,925.9	—	372.8	146.1	396.2	313.2	341.0	327.9	—

¹Beginning August 1. ²Average spot market. ³Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths.

⁴Memphis territory growths.

Vegetables:

	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	9.70	4.36	6.92	10.50	7.74	7.54	8.33	7.17	5.37	4.89
Iceberg lettuce (\$/ctrn.) ¹	2.70	2.54	3.08	2.23	2.14	3.77	3.82	2.33	2.99	4.99
Tomatoes (\$/ctrn.) ²	6.21	6.88	6.86	4.83	4.82	8.90	7.81	5.73	7.58	4.49
Wholesale price index, 10 canned veg. (1967=100)	132	171	156	169	152	155	158	158	156	156
Grower price index, fresh commercial veg. (1967=100)	154	176	168	178	163	179	177	140	157	168

¹Std. carton 24's, f.o.b. shipping point. ²2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

Tobacco:

	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
Prices at auctions:										
Flue-cured (cts./lb.)	—	—	—	89.3	—	—	—	—	—	98.7
Burley (cts./lb.)	91.8	106.3	92.6	—	107.1	—	—	—	—	—
Domestic consumption: ¹										
Cigarettes (bil.)	295.2	289.3	320.1	46.3	51.0	58.8	49.6	50.4	—	—
Large cigars (mil.)	2,437	2,284	2,147	347.1	404.8	488.7	461.3	433.5	—	—

¹Taxable removals. ²Subject to revision.

Sugar:

	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
Wholesale price, N.Y. (\$/cwt.) ¹	19.40	27.67	15.44	19.89	15.04	16.27	15.58	15.97	14.40	14.59
U.S. deliveries (thou. short tons) ^{1 2}	5,668	4,337	5,301	1,171	774	970	876	927	³ 994	³ 972

¹Raw value. ²Excludes Hawaii. ³Preliminary.

GENERAL ECONOMIC DATA

Gross national product and related data

Items	First Half			1974		1975				1976	
	1974	1975	1976	III	IV	I	II	III	IV	I	II
Bil. \$ (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	1,386.0	1,464.2	1,655.2	1,431.6	1,449.2	1,446.2	1,482.3	1,548.7	1,588.2	1,636.2	1,674.1
Personal consumption expenditures	866.0	946.8	1,054.2	906.8	911.1	933.2	960.3	987.3	1,012.0	1,043.6	1,064.7
Durable goods	120.6	124.6	153.2	128.0	117.4	122.1	127.0	136.0	141.8	151.4	155.0
Nondurable goods	366.2	400.1	432.0	383.8	388.5	394.4	405.8	414.6	421.6	429.1	434.8
Clothing and shoes	64.6	68.0	73.4	66.2	65.0	66.6	69.3	71.3	73.0	73.5	73.2
Food and beverages	184.0	205.5	221.2	193.7	198.0	203.2	207.8	211.8	215.2	219.2	223.1
Services	379.2	422.0	469.0	394.9	405.2	416.7	427.4	436.7	448.6	463.2	474.9
Gross private domestic investment	217.6	168.4	234.4	213.3	211.5	172.4	164.4	196.7	201.4	229.6	239.2
Fixed investment	204.8	194.4	219.0	206.0	201.7	194.6	194.3	198.6	205.7	214.7	223.2
Nonresidential	147.0	146.9	155.6	150.9	151.9	148.0	145.8	146.1	148.7	153.4	157.9
Residential	57.8	47.6	63.3	55.0	49.8	46.6	48.6	52.6	57.0	61.3	65.3
Change in business inventories	12.8	-26.1	15.4	7.3	9.7	-22.2	-30.0	-2.0	-4.3	14.8	16.0
Net exports of goods and services	9.4	19.7	8.2	2.9	8.1	15.0	24.4	21.4	21.0	8.4	8.1
Exports	137.7	145.2	156.6	148.4	153.8	147.5	142.9	148.2	153.7	154.1	159.1
Imports	128.2	125.5	148.4	145.5	145.7	132.5	118.5	126.8	132.7	145.7	151.0
Government purchases of goods and services	293.0	329.4	358.4	308.6	318.5	325.6	333.2	343.2	353.8	354.7	362.0
Federal	107.5	121.4	130.2	113.5	118.1	120.3	122.4	124.6	130.4	129.2	131.2
State and local	185.5	208.1	228.2	195.1	200.4	205.3	210.9	218.6	223.4	225.5	230.9
1972 Bil. \$ (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,225.6	1,169.1	1,252.8	1,212.9	1,191.7	1,161.1	1,177.1	1,209.3	1,219.2	1,246.3	1,259.4
Personal consumption expenditures	761.8	761.0	804.6	764.7	748.1	754.6	767.5	775.3	783.9	800.7	808.6
Durable goods	115.0	107.2	124.8	116.1	103.1	106.0	108.4	115.1	118.0	124.3	125.2
Nondurable goods	304.6	303.9	316.1	304.9	299.8	300.6	307.2	306.8	309.5	314.6	317.6
Clothing and shoes	59.7	59.8	63.0	59.0	57.3	58.6	61.0	62.1	63.4	63.3	62.6
Food and beverages	146.8	149.8	156.5	149.4	147.1	148.5	151.2	150.4	151.9	155.3	157.7
Services	342.4	349.9	363.8	343.7	345.1	348.0	351.8	353.4	356.4	361.8	365.8
Gross private domestic investment	191.4	127.8	169.4	176.2	169.1	129.3	126.2	148.7	147.0	167.1	171.7
Fixed investment	181.0	148.6	158.6	171.1	161.1	149.8	147.4	149.7	152.5	156.7	160.6
Nonresidential	132.6	112.5	113.8	127.3	121.8	114.4	110.6	110.1	110.5	112.6	114.9
Residential	48.4	36.1	44.9	43.9	39.3	35.4	36.8	39.6	41.9	44.1	45.7
Change in business inventories	10.4	20.8	10.8	5.1	8.0	-20.5	-21.2	-1.0	-5.5	10.4	11.1
Net exports of goods and services	16.6	22.2	16.0	14.9	17.7	20.1	24.3	22.8	23.1	16.6	15.4
Exports	98.2	89.0	94.2	96.4	95.9	90.3	87.7	90.7	93.9	93.6	94.7
Imports	81.6	66.8	78.2	81.5	78.2	70.2	63.4	67.9	70.8	77.0	79.3
Government purchases of goods and services	255.8	258.1	262.8	257.1	256.9	257.1	259.1	262.4	265.2	261.9	263.6
Federal	95.0	95.0	95.7	95.8	95.4	94.8	95.3	95.6	97.2	95.4	96.0
State and local	160.8	163.0	167.2	161.3	161.5	162.2	163.8	166.9	168.0	166.6	167.7
New plant and equipment expenditures	109.34	113.52	117.93	113.99	116.22	114.57	112.46	112.16	111.80	114.72	121.14
Implicit price deflator for GNP (1972=100)	113.10	125.24	132.11	118.03	121.60	124.55	125.93	128.07	130.27	131.29	132.93
Disposable income (\$bil.)	959.0	1,056.0	1,160.0	998.0	1,015.8	1,023.8	1,088.2	1,091.5	1,119.9	1,147.6	1,172.5
Disposable income (1972 \$bil.)	843.6	848.8	885.4	841.7	834.0	827.9	869.7	857.1	867.5	880.4	890.5
Per capita disposable income (\$)	4,533	4,956	5,401	4,705	4,779	4,809	5,102	5,105	5,227	5,347	5,455
Per capita disposable income (1972 \$)	3,988	3,984	4,123	3,968	3,923	3,889	4,078	4,009	4,049	4,103	4,143
U.S. population, tot. incl. military											
abroad (mil.)	211.6	213.1	214.8	212.1	212.6	212.9	213.3	213.8	214.2	214.6	214.9
Civilian population (mil.)	209.3	210.9	212.6	209.9	210.4	210.7	211.1	211.6	212.1	212.5	212.8

See footnotes at end of next table.

Selected monthly indicators

Items	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
Monthly data: seasonally adjusted except as noted										
Industrial production, total ²										
(1967=100)	130.4	113.7	128.2	118.4	127.3	128.1	128.4	129.6	130.1	130.4p
Manufacturing (1967=100)	130.7	111.8	128.0	117.0	127.0	127.9	128.5	129.3	130.0	130.4p
Durable (1967=100)	126.6	106.2	119.5	109.3	117.9	119.0	120.1	121.5	122.5	123.1p
Nondurable (1967=100)	136.6	119.9	140.2	128.1	140.2	140.7	140.7	140.6	140.8	140.8p
Leading economic indicators ^{1 3}										
(1967=100)	117.1	94.2	107.2	102.1	106.0	107.1	107.6	108.3	108.6p	—
Employment ⁴ (Mil. persons)	85.9	84.4	87.0	85.0	86.3	86.7	87.4	87.7	87.5	87.9
Unemployment rate ⁴ (%)	5.1	8.4	7.5	8.7	7.6	7.5	7.5	7.3	7.5	7.8
Personal income ¹ (\$bil. annual rate)	1,123.2	1,216.7	1,346.6	1,252.0	1,331.4	1,341.9	1,352.5	1,362.9	1,370.4	1,384.3p
Hourly earnings in manufacturing ^{4 5} (\$)	4.28	4.72	5.08	4.81	5.04	5.07	5.07	5.12	5.15	5.17p
Money stock (daily average) ² (\$bil.)	274.6	285.2	299.6	291.9	296.5	298.0	301.7	303.3	303.1	304.8p
Time and savings deposits (daily average) ² (\$bil.)	383.6	429.9	460.3	437.6	457.3	458.5	461.6	462.1	467.9	472.3p
Three-month Treasury bill rate ² (%)	7.934	5.637	5.061	6.164	4.852	5.047	4.878	5.185	5.443	5.278p
Aaa corporate bond yield (Moody's) ^{5 6} (%)	8.13	8.79	8.54	8.84	8.55	8.52	8.40 ₈	8.58	8.62	8.56
Interest rate on new home mortgages ^{5 7} (%)	8.67	9.06	8.94	8.89	8.93	8.93	8.92	8.97	8.91	—
Housing starts, private (including farm) ¹ (thou.)	1,550	1,015	1,419	1,207	1,547	1,417	1,367	1,422	1,527	1,387p
Auto sales at retail, total ¹ (mil.)	9.2	8.2	10.2	9.3	10.2	10.8	10.3	10.2	10.0	—
Business sales, total ¹ (\$bil.)	159.9	162.8	184.8	170.0	182.3	185.5	187.1	186.3	188.7p	—
Business inventories, total ¹ (\$bil.)	234.7	267.5	270.5	263.3	268.0	269.6	270.6	272.5	275.9p	—

¹Department of Commerce. ²Board of Governors of the Federal Reserve System. ³Composite index of 12 leading indicators. ⁴Department of Labor, Bureau of Labor Statistics. ⁵Not seasonally

adjusted. ⁶Moody's Investors Service. ⁷Federal Home Loan Bank Board. p. Preliminary.

TRANSPORTATION DATA

Rail rates and grain shipments

	January-June			1975	1976					
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
Rail freight rate index ¹										
All products (1969=100)	141.4	160.8	183.9	175.2	181.2	181.2	185.4	187.1	187.4	187.4
Farm products (1969=100)	136.4	155.9	179.9	170.9	178.0	178.0	179.1	183.2	183.3	183.3
Food products (1969=100)	140.8	160.1	183.3	174.3	179.5	179.5	183.2	186.1	186.3	186.2
Rail carloadings of grain (thou. cars) ²	28.6	22.3	24.1	29.2	25.4	24.6	20.6	21.2	28.7	30.4
Barge shipments of grain (mil. bu.) ³	18.1	18.7	31.0	27.6	27.8	29.4	29.9	38.1	33.9	30.1

¹Department of Labor, Bureau of Labor Statistics. ²Weekly average; from Association of American Railroads. ³Weekly average; from Agricultural Marketing Service, USDA.

U.S. AGRICULTURAL TRADE

Prices of principal U.S. agricultural trade products

Items	January-June			1975						
	1974	1975	1976	July	Feb	Mar	Apr	May	June	July
Export commodities:										
Wheat, f.o.b. Gulf ports (\$/bu.)	4.93	3.93	4.02	3.98	4.18	4.18	3.99	3.87	3.99	3.87
Corn, f.o.b. Gulf ports (\$/bu.)	3.07	3.12	2.96	3.22	2.86	2.91	2.85	3.04	3.14	3.16
Grain sorghum, f.o.b. Gulf ports (\$/bu.) . .	2.72	2.92	2.79	2.73	2.83	2.83	2.70	2.79	2.78	2.85
Soybeans, f.o.b. Gulf ports (\$/bu.)	6.13	5.93	5.30	5.90	5.03	4.93	4.95	5.52	6.43	7.07
Soybean oil, Decatur (cts./lb.)	30.70	27.90	16.46	27.50	16.33	16.56	16.32	15.77	17.62	20.87
Soybean meal, Decatur (\$/ton)	134.25	120.93	142.66	124.00	132.60	127.90	127.10	152.25	187.90	193.90
Cotton, 10 market avg. spot (cts./lb.) . . .	63.97	39.21	60.27	45.57	56.96	55.47	57.18	62.07	72.74	78.73
Tobacco, avg. price of auction (cts./lb.) . .	87.80	105.70	100.63	95.60	100.50	100.50	100.70	100.90	100.90	97.80
Rice, f.o.b. mill, Houston (\$/cwt.)	33.31	22.32	17.33	22.25	18.00	17.10	17.00	17.00	16.60	16.40
Inedible tallow, Chicago (cts./lb.)	17.30	11.13	13.20	12.05	13.16	13.60	13.00	12.94	13.50	14.03
Import commodities:										
Coffee, N.Y. spot (cts./lb.)	72.12	70.55	123.30	69.00	109.00	110.00	124.00	141.90	148.10	148.30
Sugar, N.Y. spot (cts./lb.)	19.40	27.67	15.45	19.89	15.04	16.27	15.58	15.97	14.40	14.59
Cow meat, f.o.b. port of entry (cts./lb.) . .	78.40	56.08	75.27	61.08	71.99	77.43	81.75	80.55	72.49	69.41
Rubber, N.Y. spot (cts./lb.)	47.00	29.40	38.09	31.00	36.00	37.72	38.40	40.70	42.70	40.70
Cocoa beans, N.Y. spot (cts./lb.)	92.40	75.40	86.40	74.50	76.00	75.70	87.60	96.30	107.00	107.00
Bananas, f.o.b. port of entry (\$/40-lb. box)	3.13	4.62	4.79	4.28	4.74	4.92	n.a.	5.07	4.80	4.69
Canned Danish hams, ex-warehouse N.Y. (\$/lb.)	1.36	1.60	1.76	1.85	1.78	1.78	1.76	1.70	1.68	1.68
Quantity Indices										
Export (1967=100)	164	149	172	137	159	174	180	170	167	n.a.
Import (1967=100)	126	116	142	126	130	156	142	129	154	n.a.
Unit Value Indices										
Export (1967=100)	215	229	204	203	203	203	203	205	205	n.a.
Import (1967=100)	179	231	202	190	191	195	202	215	222	n.a.

n.a. not available.

Trade balance

Items	July-June		June	
	1974/75	1975/76	1975	1976
\$ Mil.				
Agricultural exports ¹	21,578	22,146	1,390	1,824
Nonagricultural exports ²	82,171	88,462	7,241	8,026
Total exports ²	103,749	110,608	8,631	9,850
Agricultural imports ³	9,579	10,108	827	1,020
Nonagricultural imports ⁴	92,054	96,494	6,543	9,703
Total imports ⁴	101,633	106,602	7,370	10,723
Agricultural trade balance	11,999	12,038	563	804
Nonagricultural trade balance	-9,883	-8,032	698	-1,677
Total trade balance	2,116	4,006	1,261	-873

¹ Domestic exports including Department of Defense shipments, (F.A.S. value). ² Domestic and foreign exports excluding Department

of Defense shipments, (F.A.S. value). ³ Imports for consumption (customs value). ⁴ General imports, (customs value).

World supply and utilization of major crops

Commodity	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76 ¹	1976/77 ²
	Mil. units						
Wheat:							
Area (hectare)	204.9	210.0	207.2	214.2	217.5	222.4	227.5
Production (metric ton)	316.2	348.5	344.2	372.3	356.6	349.3	376.3
Exports (metric ton)	56.3	57.8	72.2	70.7	68.0	74.0	68.0
Consumption (metric ton) ³	337.7	344.4	364.2	368.1	359.5	347.7	357.1
Ending stocks (metric ton) ⁴	75.6	79.7	59.7	63.9	60.9	62.5	81.7
Feed grains:							
Area (hectare)	339.7	340.8	338.3	350.5	347.9	359.3	366.9
Production (metric ton)	569.5	622.0	603.0	660.2	619.7	630.9	681.3
Exports (metric ton)	53.4	55.7	69.0	80.8	69.3	87.0	77.2
Consumption (metric ton) ³	587.1	606.8	621.8	662.5	626.2	635.1	669.2
Ending stocks (metric ton) ⁴	61.0	76.2	57.4	55.1	48.6	44.4	56.5
Rice, milled basis:							
Area (hectare)	131.3	131.6	130.1	134.9	137.3	140.9	140.3
Production (metric ton)	208.9	211.9	204.1	219.0	223.6	237.1	232.2
Exports (metric ton)	8.0	8.1	8.2	7.7	7.8	7.7	7.6
Consumption (metric ton) ³	208.0	214.7	209.8	216.7	223.9	232.7	235.2
Ending stocks (metric ton) ⁴	18.7	15.9	10.2	12.5	12.2	16.6	13.6
Total grains:							
Area (hectare)	675.9	682.4	675.6	699.6	702.7	722.6	734.7
Production (metric ton)	1,094.6	1,182.4	1,151.3	1,251.5	1,199.9	1,217.3	1,289.8
Exports (metric ton)	117.7	121.6	149.4	159.2	145.1	168.7	152.8
Consumption (metric ton) ³	1,132.8	1,165.9	1,195.8	1,247.3	1,209.6	1,215.5	1,261.5
Ending stocks (metric ton) ⁴	155.3	171.8	127.3	131.5	121.7	123.5	151.8
Oilseeds and meals: ⁵							
Production (metric ton)	54.7	55.6	57.1	67.9	61.9	71.4	69.3
Trade (metric ton)	24.6	25.8	25.8	27.6	27.3	30.3	—
Vegetable fats and oils:							
Production (metric ton)	27.8	29.1	28.4	31.8	31.0	33.8	34.1
Trade (metric ton)	9.1	9.9	9.9	10.0	10.6	11.6	—

¹ Estimate. ² Forecast. ³ Where stock data not available (excluding USSR), consumption includes stock changes. ⁴ Stocks data are based on differing marketing years and do not represent levels at a given

date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁵ Soybean meal equivalent.

U.S. agricultural exports

Selected commodities	July-June				June			
	1974/75	1975/76	1974/75	1975/76	1975	1976	1975	1976
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excl. poultry	—	—	130,106	119,064	—	—	7,514	8,784
Meat and preps., excl. poultry (lb.)	612,486	792,113	341,742	572,729	46,428	73,808	32,445	51,962
Dairy products, excl. eggs	—	—	134,476	118,869	—	—	14,390	20,110
Poultry and poultry products	—	—	135,013	207,129	—	—	12,983	22,580
Grains and preparations	—	—	10,942,215	11,296,628	—	—	743,186	884,654
Wheat and wheat flour (bu.)	1,029,343	1,156,032	4,944,682	4,934,462	80,474	72,464	347,610	302,036
Rice, milled (lb.)	5,059,180	3,499,450	1,002,185	540,751	559,357	348,539	95,275	46,198
Feed grains (metric ton)	34,330	46,376	4,762,479	5,597,715	2,285	4,280	279,888	515,729
Other	—	—	232,869	223,700	—	—	20,413	20,691
Fruits, nuts, and preparations	—	—	804,906	906,295	—	—	77,614	82,950
Vegetables and preparations	—	—	549,324	556,629	—	—	42,426	48,404
Sugar and preps., incl. honey (lb.)	503,483	612,286	108,297	115,147	78,752	38,730	16,160	6,911
Coffee, tea, cocoa, spices, etc. (lb.)	71,258	93,145	70,497	98,872	5,713	5,601	7,025	6,072
Feeds and fodders	—	—	1,020,266	1,119,222	—	—	76,811	113,868
Protein meal (short ton)	4,699	5,107	731,994	774,034	326	492	50,227	78,457
Beverages, excl. distilled alcoholic (gal.) . .	611	555	1,456	1,411	58	59	123	151
Tobacco, unmanufactured (lb.)	638,404	600,872	910,088	917,260	32,146	27,092	48,749	41,765
Hides, skins, and furskins	—	—	411,389	560,749	—	—	28,532	48,079
Oilseeds	—	—	3,202,947	3,323,623	—	—	97,336	279,153
Soybeans (bu.)	404,514	566,034	2,951,232	3,078,140	13,950	47,171	83,811	265,760
Wool, unmanufactured (lb. grease basis) . .	14,760	12,268	18,660	25,741	2,302	819	3,058	2,182
Cotton, unmanufactured (running bale) . .	4,037	3,442	1,027,921	881,937	403	327	95,834	89,518
Fats, oils, and greases (lb.)	2,662,805	2,012,458	486,834	358,481	182,496	166,685	30,610	28,227
Vegetable oils and waxes (lb.)	2,539,198	1,958,785	908,578	527,324	98,537	196,748	30,554	52,834
Rubber and allied gums (lb.)	39,206	42,017	21,164	22,218	2,663	3,988	1,427	2,033
Other	—	—	352,436	417,600	—	—	22,891	33,610
Total	—	—	21,578,315	22,146,928	—	—	1,389,668	1,823,847

U.S. agricultural imports

Selected commodities	July-June				June			
	1974/75	1975/76	1974/75	1975/76	1975	1976	1975	1976
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals live, excl. poultry	—	—	95,807	198,931	—	—	8,103	19,212
Meat and preps., excl. poultry (lb.)	1,591,797	1,849,815	1,052,807	1,370,856	134,548	187,061	82,530	146,401
Beef and veal (lb.)	1,215,548	1,457,298	656,169	838,992	107,727	149,727	50,203	99,561
Pork (lb.)	334,341	328,706	360,394	484,791	23,050	28,343	29,468	40,131
Dairy products, excl. eggs	—	—	208,540	243,800	—	—	12,515	19,012
Poultry and poultry products	—	—	23,389	31,197	—	—	1,703	3,616
Grains and preparations	—	—	178,616	181,236	—	—	11,669	19,018
Wheat and flour (bu.)	835	892	4,850	3,540	5	425	25	1,578
Rice (lb.)	2,429	3,055	754	821	79	97	40	42
Feed grains (metric ton)	417	347	74,253	59,461	23	52	4,023	7,926
Other	—	—	98,759	117,414	—	—	7,581	9,472
Fruits, nuts, and preparations	—	—	592,721	694,983	—	—	59,330	70,497
Bananas (lb.)	4,075,643	4,491,959	200,796	256,621	364,798	464,487	18,567	26,887
Vegetables and preparations	—	—	376,285	412,100	—	—	30,340	49,268
Sugar and preps., incl. honey	—	—	2,763,099	1,629,642	—	—	278,408	141,883
Sugar, cane or beet (short ton)	4,525	4,259	2,554,203	1,425,069	453	432	260,353	122,952
Coffee, tea, cocoa, spices, etc. (lb.)	3,199,657	4,150,751	1,950,580	2,917,458	314,303	353,724	175,498	327,816
Coffee, green (lb.)	2,184,155	2,839,006	1,224,686	2,023,850	229,582	246,559	120,343	240,174
Cocoa beans (lb.)	401,523	586,483	281,847	347,688	41,795	43,657	23,743	31,286
Feeds and fodders	—	—	47,236	51,425	—	—	4,144	4,075
Protein meal (short ton)	6	22	725	2,582	(¹)	1	1	99
Beverages, excl. distilled alcoholic (gal.)	97,280	115,903	326,082	402,660	8,383	13,206	28,767	42,839
Tobacco, unmanufactured (lb.)	331,763	322,449	226,491	263,803	29,292	25,159	19,383	23,616
Hides, skins, and furskins	—	—	141,065	196,044	—	—	12,967	20,100
Oilseeds	—	—	54,217	60,872	—	—	4,963	7,229
Soybeans (lb.)	90	7	16	3	—	—	—	—
Wool, unmanufactured (lb. grease basis)	31,930	73,914	32,348	72,707	4,241	5,425	4,045	6,092
Cotton, unmanufactured (running bale)	65	116	13,825	27,737	7	10	1,463	2,459
Fats, oils, and greases (lb.)	34,856	25,533	10,927	6,498	3,038	1,898	1,075	345
Vegetable oils and waxes (lb.)	1,656,369	2,551,890	599,175	472,451	121,939	162,692	31,616	27,961
Rubber and allied gums (lb.)	1,457,913	1,650,951	400,333	447,914	131,296	147,550	30,720	49,579
Other	—	—	485,280	424,423	—	—	28,199	39,063
Total	—	—	9,578,823	10,106,737	—	—	827,438	1,020,081

¹ Less than 500.

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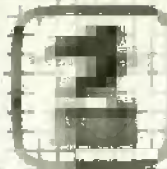
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